

COMMERCIAL CANNABIS BUSINESS
INITIAL APPLICATION
CITY OF FAIRFIELD

City of Fairfield

Community Development Department
1000 Webster Street
Fairfield, CA 94533
Ph: 707.428.7461
Email: planning@fairfield.ca.gov
<https://www.fairfield.ca.gov/cannabis>

APPLICANT (ENTITY) INFORMATION

APPLICANT (ENTITY) NAME: Authentic Fairfield LLC DBA: Authentic Fairfield
Physical Address: 2470 Martin Rd. City: Fairfield State: CA Zip: 94534
PRIMARY CONTACT (Same as above? ☐ Yes ☒ No): Brian Mitchell
Title: Co-Owner / CEO
Address: 1617 Amaral Ct. City: Fairfield State: CA Zip: 94534
Phone: [REDACTED] Email: brian.mitchell@shrynegroup.com
HAS ANY INDIVIDUAL IN THIS APPLICATION APPLIED FOR ANY OTHER CANNABIS PERMIT IN THE CITY OF FAIRFIELD: ☐ Yes ☒ No
Select one or more of the following categories. For each category, indicate whether you are applying for Adult-Use ("A") or/and Medicinal ("M") or both.
☒ Adult Use ☒ Medical Use
☒ Retail (Storefront) ☐ Retail (Non-Storefront) ☐ Manufacturing ☐ Testing
Business Formation Documentation: Describe how the business is organized (attach to Business Plan).
☐ Sole Partnership ☐ Corporation ☐ S-Corporation ☒ Limited Liability Company ☐ Limited Partnership

PROPOSED LOCATION

PROPERTY OWNER NAME: Paul Blanco's Real Estate, Inc.
Address: 2470 Martin Rd. City: Fairfield State: CA Zip: 94534
Phone: [REDACTED] Email: REDACTED
Zoning Verification Letter (Please attach): ☐ Not Applicable ☒ Yes ☐ No
Assessor's Parcel Number (APN): 0156130290
Proposed Location Square Footage: 10,537

APPLICATION SUBMITTAL CHECKLIST

Applications failing to submit any of the following will be determined ineligible unless otherwise noted by an asterisk for special deadlines, and will not move forward in the application process:

- ✓ One (1) printed hard copy of a complete and signed Commercial Cannabis Initial Application form (Pages 1-9), with the Application Fee, and one (1) printed hard copy of the entire application submittal.
- ✓ All Evaluation Criteria outlined in Appendix A saved in PDF format on a single USB flash drive. (This section shall not exceed 200 pages).*
- ✓ Proof of Capitalization (All bank statements, loan documents, promissory notes, financial and commitment letters) – to be contained within the Business Plan listed in Appendix A
- ✓ Proof of comprehensive general liability insurance (minimum \$1M per occurrence) or evidence by an Insurance Agency that the cannabis business is insurable.**
- ✓ A signed and notarized Property Consent form, or Lease Agreement, or a "Letter of Intention" to Lease.
- ✓ A signed and notarized Terms and Conditions form.
- ✓ Live Scan/Background Check information for each Owner/Principal, and Proof of Preliminary Background Check payment.
- ✓ Zoning Verification Letter (ZVL).

* Background and Proof of Capitalization/Financial documents are not part of the 200-page limitation.
** The only information that can be submitted after the initial application is proof of insurance prior to the City Awarding a Cannabis Permit however, at a minimum proof of insurability must be provided with the initial application package.

SUPPORTING INFORMATION

List all fictitious business names the applicant is operating under including the address where each business is located:

Authentic Fairfield is not operating under any fictitious names and it does not have any addresses operating under this name.

Has the Applicant or any of its owners been the subject of any administrative action, including but not limited to suspension, denial, or revocation of a cannabis business license at any time during the past three (3) years? If so, please list and explain:

No.

Is the Applicant or any of its owners currently involved in an application process in any other jurisdiction?

Yes. Pomona, El Monte, Oxnard, Tracy, Stanton, El Cerrito, and Fresno.

APPLICATION CERTIFICATION

I hereby certify, under penalty of perjury, on behalf of myself and all owners, managers and supervisors identified in this application that the statements and information furnished in this application and the attached exhibits present the data and information required for this initial evaluation to the best of my ability. I further certify, under penalty of perjury, that the facts, statements, and information presented are true, complete, and accurate, to the best of my knowledge and belief. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the permit, or revocation of a permit issued.

In addition, I understand that the filing of this application grants the City of Fairfield permission to reproduce submitted materials for distribution to staff, Commission, Board and City Council Members, and other Agencies to process the application. Nothing in this consent, however, shall entitle any person to make use of the intellectual property in plans, exhibits, and photographs for any purpose unrelated to the City's consideration of this application.

Furthermore, by submitting this application, I understand and agree that any business resulting from an approval shall be maintained and operated in accordance with requirements of the City of Fairfield Municipal Code and State law.

Name

Brian Mitchell

Title

Co-Owner / CEO

Signature



Date

9/22/20

For details about the information required as part of the application process, see the Application Procedures & Guidelines, City of Fairfield Municipal Code Chapter 10E and any additional requirements to complete the application process. All documents can be found online at www.fairfield.ca.gov/cannabis. For questions please contact the Community Development Department at 707.428.7461.

OWNER INFORMATION

This section must be completed by all owners. The total ownership percentage should equal 100%.

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 30%

Name: Brian Mitchell Title: Co-Owner / CEO

Address: REDACTED City: Fairfield State: CA Zip: 94534

Background Information Included as required? ☒ Yes ☐ No

Signature: [Signature] Date: 9/22/20

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 30%

Name: Dr. Albert Mitchell Title: Co-Owner / CMO

Address: REDACTED City: Fairfield State: CA Zip: 94534

Background Information Included as required? ☒ Yes ☐ No

Signature: [Signature] Date: 9/22/20

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 11.5%

Name: James Kim Title: Co-Owner / Managing Director

Address: 728 E Commercial St. City: Los Angeles State: CA Zip: 90012

Background Information Included as required? ☒ Yes ☐ No

Signature: [Signature] Date: 9/22/20

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 27%

Name: Tony Huang Title: Co-Owner

Address: 728 E Commercial St. City: Los Angeles State: CA Zip: 90012

Background Information Included as required? ☒ Yes ☐ No

Signature: [Signature] Date: 9/22/20

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 1.5%

Name: Jon Avidor Title: Co-Owner / Executive Chairman

Address: 728 E Commercial St. City: Los Angeles State: CA Zip: 90012

Background Information Included as required? ☒ Yes ☐ No

Signature: [Signature] Date: 9/22/20

Add more pages as necessary to accommodate all Commercial Cannabis Business Owners

PROPERTY OWNER CONSENT FORM

Commercial Cannabis Business


PREMISES LOCATION INFORMATION:

2470 Martin Rd.	Fairfield	CA	94534
Physical Address	City	State	Zip Code
Authentic Fairfield, LLC			
Tenant Applicant (Business Name)			


If the applicant is not the property owner(s), the applicant must provide the name, address and telephone number of the property owner pursuant to Fairfield Municipal Code Section 10E.8.

PROPERTY OWNER INFORMATION:

☒ OWNER ☐ PROPERTY MANAGER ☐ OTHER: _____

Paul Blanco	Manager
Name	Title
Paul Blanco's Real Estate LLC	
Business Name (if applicable)	Phone Number
2820 Fulton Ave	Sacramento, CA 95821
Mailing Address	City State Zip Code

I/We, as the owner(s) of the subject property, consent to the filing of this application and use of the property for the purposes described herein. We further consent and hereby authorize City representative(s) to enter upon my property for the purpose of examining and inspecting the property in preparation of any reports and/or required environmental review for the processing of the application(s) being filed.

<u>Paul Blanco</u>	<u></u>
Name	Signature
<u>owner</u>	<u>9.29.2000</u>
Title	Date

THE ABOVE SIGNATURE MUST BE ACCOMPANIED BY
AN ACKNOWLEDGEMENT FROM A NOTARY PUBLIC

**CITY OF FAIRFIELD
COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION
TERMS AND CONDITIONS**

Dated: Sept. 14, 2020

With submission of the attached Commercial Cannabis Business Permit Application ("Application"), I, the undersigned, hereby agree to the following Terms and Conditions:

1. I am submitting to the City an application deposit in the amount of \$ 11,727.00 for the review and processing of a commercial cannabis business permit.
2. The entire amount of the Application deposit is not refundable for any reason. I understand that there is no guarantee, express or implied, that by submitting an Application or making the application deposit identified above that I will obtain a commercial cannabis business permit or any land use entitlements necessary in order to operate a commercial cannabis business. I understand that the City may deny my Application for any reason.
3. All costs incurred by the City in processing my Application, including staff time and overhead, shall be paid by me. This is my personal obligation and shall not be affected by sale or transfer of the property subject to the Application, changes in business organization, or any other reason. As work proceeds on the Application, actual City costs, as established by the City Council, will be charged against the deposit account. The City will deduct such costs from the deposit at such times and in such amounts as City determines. "Costs incurred by the City" as identified in this paragraph shall include costs for the services of contractors or consultants. The City shall exercise its sole discretion in determining whether it is necessary to engage the services of an outside contractor to assist with application processing, which costs are to be paid by me.
4. If at any point the City determines that the amount deposited will not be adequate to cover all costs associated with Application processing, the City may make a written request for additional deposit(s) and staff will suspend work on the Application until sufficient funds are deposited. I agree to deposit such additional sums within the time stated in City's request. If I fail to deposit additional funds I understand that my Application will be deemed withdrawn.
5. To the fullest extent permitted by law, I shall defend (with counsel of City's choosing), indemnify, and hold harmless the City of Fairfield and its agents, officers, elected officials, employees, and volunteers (together, "City indemnitees") from and against any claims, actions, damages, injuries, costs (including attorneys' fees and other expenses), or liabilities of any kind, including those arising from bodily injury, sickness, disease, death, property loss and property damage, arising from or related to the processing of my Application for a commercial cannabis business permit, the issuance of the permit, the enforcement of the conditions of the permit, or the conduct or operations of the commercial cannabis business that is the subject of a permit. My obligations under this paragraph shall apply regardless of whether a license or any permits or entitlements are issued.
6. I hereby waive and release the City Indemnitees from any and all claims, injuries, damages, or liabilities of any kind arising from or related to the Application for a commercial cannabis business permit, the issuance of the permit, the enforcement of the conditions of the permit, or the conduct or operations of the business that is

the subject of the permit.

7. I consent to and expressly allow, authorize, and permit any City officer, agent, or employee to enter upon, inspect, and photograph the property identified in my Application, with reasonable prior notice, for the purposes of processing the Application and ensuring compliance with all laws, regulations, and conditions of any existing land use approvals. No additional permission or consent to enter upon the property is necessary or shall be required.
8. I understand that all materials submitted in connection with my Application will become records of the City when received, and that such records may be subject to disclosure under the California Public Records Act ("CPRA"). I understand that any information considered to be proprietary and exempt from disclosure must be clearly marked within the Application, identifying the specific lines containing the information and the applicable exemption under the CPRA. I understand that such marking is not determinative as to whether the information is exempt from disclosure under state law, and that the City retains the right to disclose or withhold information in accordance with state law.
9. I represent and certify to the following:
 - I have submitted the necessary information for the Fairfield Police Department to conduct a Live Scan and/or background check.
 - If I am submitting an application for the renewal of a commercial cannabis business permit, I continue to hold in good standing any permit/license that is required by the State of California for the operation of the commercial cannabis business.
 - I understand that owners, operators, employees and members of a commercial cannabis business may be subject to prosecution under Federal Laws.
10. These Terms and Conditions shall constitute a separate legal document from any permit approval, and that if the permit, in part or in whole, is revoked, invalidated, rendered null or set aside by a court of competent jurisdiction, I agree to be bound by the Terms and Conditions, which shall survive such invalidation, nullification or setting aside.
11. These Terms and Conditions shall be construed and enforced in accordance with the laws of the State of California. Any legal action or other proceeding arising in connection with these Terms and Conditions shall be filed in Solano County Superior Court.

I have reviewed, understand, and agree to be bound by and to fully comply with all of the foregoing Terms and Conditions.

Applicant(s)/Owner(s):

Brian Mitchell
Printed Name


Signature

James Kim
Printed Name


Signature

Tony Huang
Printed Name


Signature

Jon Avidor

Printed Name



Signature

Dr. Albert Mitchell

Printed Name



Signature

Property Owner(s): (if different)

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

EACH OF THE ABOVE SIGNATURES MUST BE ACCOMPANIED BY
AN ACKNOWLEDGEMENT FROM A NOTARY PUBLIC

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles)On 09/14/2020
Date

before me,

Phillip Holguin, Notary Public
Here Insert Name and Title of the Officerpersonally appeared Brian Mitchell, James Kim, Tony Hwang, San Andor
Name(s) of Signer(s)Albert Mitchell

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

[Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Jon Avidor

Printed Name

Signature

Dr. Albert Mitchell

Printed Name

Signature

Property Owner(s): (if different)

Paul Blanco

Printed Name

Signature



Printed Name

Signature

Printed Name

Signature

**EACH OF THE ABOVE SIGNATURES MUST BE ACCOMPANIED BY
AN ACKNOWLEDGEMENT FROM A NOTARY PUBLIC**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Sacramento)
On 9/29/2020 before me, S. Romanishin, Notary Public
Date here Insert Name and Title of the Officer
personally appeared Paul Blanco
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public _____



Place Notary Seal Above

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☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____



California Secretary of State Electronic Filing

FILED

Secretary of State
State of California

LLC Registration – Articles of Organization

Entity Name: AUTHENTIC FAIRFIELD LLC

Entity (File) Number: 202024810528

File Date: 09/02/2020

Entity Type: Domestic LLC

Jurisdiction: California

Detailed Filing Information

1. Entity Name: AUTHENTIC FAIRFIELD LLC
2. Business Addresses:
 - a. Initial Street Address of Designated Office in California: 728 East Commercial Street
Los Angeles, California 90012
United States
 - b. Initial Mailing Address: 728 East Commercial Street
Los Angeles, California 90012
United States
3. Agent for Service of Process: LEGALINC REGISTERED AGENTS,
INC. (C4249296)
4. Management Structure: One Manager
5. Purpose Statement: The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

Electronic Signature:

The organizer affirms the information contained herein is true and correct.

Organizer: ERIC LIGHTMAN

Certificate Verification Number: IUMXCQ
Use bizfile.sos.ca.gov to verify the certified copy.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

09/24/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Brown & Brown Insurance Services of California, Inc License #0D04053 1001 Mark Avenue, Suite 201 Carpinteria CA 93013		CONTACT NAME: Vicky Salgado PHONE (A/C, No, Ext): (805) 965-0071 E-MAIL ADDRESS: vsalgado@bbofcal.com FAX (A/C, No): (805) 690-3200	
INSURED Authentic Fairfield LLC 2470 Martin Road Fairfield CA 94534		INSURER(S) AFFORDING COVERAGE INSURER A: Kinsale Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 38920	

COVERAGES **CERTIFICATE NUMBER:** CL2092466626 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			01001092390	03/04/2020	03/04/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ Excluded GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Excluded
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			01001092910	03/04/2020	03/04/2021	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N					PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER

CANCELLATION

Authentic Fairfield LLC 2470 Martin Road Fairfield CA 94534	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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Authentic Fairfield LLC

2470 Martin Road, Fairfield, CA 94534

Commercial Cannabis Business Permit Application
– Storefront Dispensary

Dear City of Fairfield,

Authentic Fairfield LLC is applying for a cannabis storefront retail license and hereby submits its Commercial Cannabis Business Application. This cover letter is an overview of our core values and qualifications which are more fully described in the application.

As a local resident who has resided in Fairfield since 1989, I am honored to be able to submit this application for your consideration. My grandfather, Lieutenant Colonel Bruce Sooy, was stationed at Travis Air Force Base for 44 years after he was rescued by General Patton in Germany as a Prisoner of War. My father further strengthened our connection with the Travis Air Force Base when he became a Staff Neurologist at the David Grant Medical Center at Travis Air Force in 1988. As a third generation Fairfield resident, it would be a dream come true to be able to share with Fairfield my life's work of educating the public on the benefits and safe use of cannabis.

MISSION

Shryne Group Inc., Authentic Fairfield's parent entity, was founded in 2018 by James Kim and myself with the goal of providing Californians the safest and most reputable cannabis products in a modern and inclusive retail environment. Shryne Group currently operates 8 retail stores, 3 cultivation facilities, 3 manufacturing facilities and 3 distribution facilities in California with others licensed under development.

As one of California's only truly vertically integrated cannabis companies, Shryne Group's mission is to cultivate, produce and sell the safest cannabis products to our customers and other cannabis firms, while sharing our company's success with the communities in which we operate. The store name Authentic Fairfield reflects our belief that a business should instill the values of the community in which it operates and should contribute towards the benefit of the entire neighborhood.

SAFETY

I have dedicated the last 10 years of my life to cultivating the purest and safest cannabis products for cancer patients and sufferers of epilepsy, physical injuries, anxiety and other ailments. Shryne Group has allowed me to fulfill this mission through our three cultivation operations in California which produce 100,000 pounds of cannabis per year. All 50+ tons are inspected and tested daily for pesticides, microbiological contaminations and other hazardous materials. Our three manufacturing facilities, totaling 50,000 square feet, utilize the most rigorous safety and testing standards in the industry in partnership with outside safety testing firm CannaSafe.

We pursue our mission to provide consumers with the purest and most rigorously tested products by selling our products at our own retail stores in Los Angeles, 2 in San Francisco, Davis, Palm Desert, Modesto, San Bernardino and Alameda. By stocking the shelves mostly with our own carefully cultivated and tested products and the remainder with third party products that have passed Shryne Group's industry best testing standards, our retail stores provide customers with the safest and most effective products in the industry. Additionally, because most of our products at our stores come from our own cultivation and manufacturing facilities, we are able to sell our in-house products at approximately 27% cheaper prices than our competitors.

COMMUNITY BENEFITS

As a result of our safe, high quality products which are priced at a steep discount compared to our competitors, our stores are the highest grossing stores in California at an average of \$17.5 million annual revenue per store.

We are committed to sharing our success with the communities which have made our success possible. Shryne Group has a long history of giving and:

- Offers union jobs with the UFCW and has a master agreement with them so that all new stores are covered by the Collective Bargaining Agreement;
- Hires 65-85% of all employees from within the city in which we operate;
- Pays its employees living wages of between \$16.25 – \$24.00 an hour and provides health and dental benefits and an employer funded pension fund;
- Sponsors scholarships at local colleges for residents in need;
- Offers a workforce development program for all of its employees through classes taught by local colleges; and
- Contributed over \$500,000 to local non-profits in 2020 alone.

In addition to the above, we have committed to supporting various Fairfield non-profits and other causes such as youth drug prevention programs which are described in this application.

Our other missions, qualifications and experiences are discussed in more detail in the application. We hope that we can share these missions and share in the success we have had with other cities with Fairfield.

Sincerely,



Brian Mitchell

CEO

P.S. If you would like to see a virtual tour of our headquarters in Downtown Los Angeles, you will see for yourself our qualifications to operate a top-tier retail establishment:

REDACTED

REDACTED

1. BUSINESS PLAN

1.1. Owner Qualifications

The applicant Authentic Fairfield LLC ("Authentic Fairfield") is owned by Fairfield resident and neurologist, Albert Mitchell D.O., and Shryne Group Inc. ("Shryne"), which was founded by another Fairfield resident, and Albert Mitchell's son, Brian Mitchell. Shryne is the parent entity and owner of various other cannabis retail, manufacturing, cultivation, distribution, real estate and IP assets.

Leadership

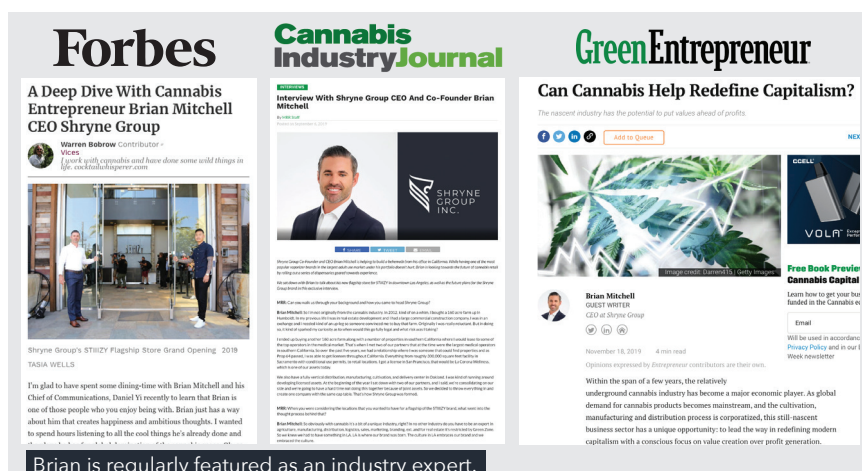
Authentic Fairfield's extraordinary track record of success can be attributed to its leadership. The co-owners of Authentic Fairfield, Brian Mitchell, James Kim and Jon Avidor together have over 30 years of experience in different aspects of the cannabis business which are essential to the success of the business. Co-Owner Albert Mitchell, D.O., supplements their cannabis experience with his expertise as a neurologist and understanding of cannabis's medical benefits. Together they have also built an invaluable team around them from within the cannabis industry and other industries such as finance, legal, compliance, and consumer packaged goods to build the number one cannabis retail company in California.

Authentic Fairfield's ownership and qualifications are set forth below.



Brian Mitchell
Co-Owner and CEO

Brian Mitchell has dedicated the last 10 years to cultivating, manufacturing and selling the purest, safest and highest quality products for medical patients, sufferers of physical ailments and recreational cannabis users. Brian is frequently featured as a cannabis industry expert on various news outlets and has been a vocal proponent of social capitalism, whereby big business makes a positive impact on the community in which it operates.



Prior to becoming the CEO of Authentic Fairfield, Brian founded and operated numerous companies, including Northstar Equities, a capital investment firm which focused on early stage investments with companies in the aerospace, construction, cannabis and technology sectors. Brian also founded a construction company, Signature Painting and Construction, Inc.¹, which employs 100 individuals across three states. Spurred by his experience

REDACTED

Brian has also founded and operates companies in each of the cannabis verticals, including a 160 acre cannabis cultivation farm in Humboldt County, Palmas, a high end cannabis brand for cannabis connoisseurs and La Corona Wellness Center, one of the first licensed adult use cannabis dispensaries in San Francisco². His 15 years of experience founding and operating companies and his 10 years founding, operating and overseeing the growth of cannabis companies in the cultivation, manufacturing and retail verticals puts Brian in the optimal position to lead Authentic Fairfield's retail operations.

Albert Mitchell, D.O.

Co-Owner and Chief Medical Officer

Dr. Albert Mitchell started his medical career as the Staff Neurologist at the David Grant Medical Center at Travis Air Force Base in 1988 and has lived in Fairfield since 1989. Dr. Mitchell opened his own private neurology practice in Fairfield in 1991 and continues to operate his private neurology practice at 1261 Travis Blvd, Fairfield. Dr. Mitchell is an expert on various neurological disorders including seizures, Parkinson's disease and multiple sclerosis. Dr. Mitchell is Chief Medical Officer of Authentic Fairfield where he researches the medical benefits of cannabis on seizures, Parkinson's disease and other medical conditions. Dr. Mitchell will provide his medical expertise on the treatment of certain medical conditions with cannabis to Authentic Fairfield.

BUSINESS LICENSE		2020	CITY OF FAIRFIELD
<small>THE CITY OF FAIRFIELD MUNICIPAL CODE REQUIRES ALL BUSINESSES TO PAY A BUSINESS TAX. ALL BUSINESSES ARE REQUIRED TO COMPLY WITH ALL CITY CODES. THIS LICENSE IS ISSUED WITHOUT VERIFICATION THE LICENSEE IS SUBJECT TO OR EXEMPT FROM LICENSING BY THE STATE OF CALIFORNIA.</small>		<small>Business License Office 1000 Webster Street • Fairfield, CA 94533-4883 (707) 428-7461</small>	
Business Name:	Mitchell, Albert M D O	BUSINESS LICENSE NO.	
Business Location:	1261 TRAVIS BLVD 170 FAIRFIELD, CA 94533-4897	95000413	
Corporate or Owner Name (s):	Albert M Mitchell	Issued Date: 1/1/2020	
		Expiration Date: 12/31/2020	
		Business Type: 059	
		Description: Medical	
MITCHELL, ALBERT M D O 1261 TRAVIS BLVD 170 FAIRFIELD, CA 94533-4897			
TO BE DISPLAYED AT YOUR PLACE OF BUSINESS		POST IN A CONSPICUOUS PLACE • NOT TRANSFERABLE	

¹ <https://www.signatureservices.us/>

² These assets are now owned by the Shryne Group. La Corona Wellness was rebranded to Stiizy Mission in 2019.

**James Kim**

Co-Owner and Managing Director

A disabled army veteran [REDACTED] after serving a 13-month tour in Iraq with the 101st Airborne Division. Having witnessed [REDACTED] veterans becoming addicted to alcohol and opioids while battling PTSD from their deployment, James was determined [REDACTED] to introduce others suffering from physical or mental trauma to the healing effects of marijuana. James devoted 6 months of his life to researching the benefits of cannabis after his tour ended [REDACTED]. [REDACTED] James went on to found Stiizy – a cannabis vape pen, Liit – flower and pre-rolls, Biiit – cannabis-infused gummies, and other cannabis brands in 2016. Since then, these brands have developed an avid following in California and are sold in 90% of cannabis retail stores across the state. At Shryne, James continues to build brand recognition and a loyal customer base with loyal fans lining up at our dispensary grand openings. No other cannabis retail store has its own product line which comes close to driving product loyalists to their retail stores quite like ours. James has also managed numerous dispensaries including Ironworks Collective, 1212 Broadway Medical Center Inc., and 10 Spot Collective in Santa Ana and learned every aspect of the cannabis retail business. James's unique knowledge of retail operations and product development puts him in a prime situation to understand how to maximize sales through curating products geared towards each store and its community. At Authentic Fairfield, James will oversee and be responsible for implementing every aspect of the business from curating in-house products and third-party products, supervising the implementation of Standard Operating Procedures, staffing levels, and more. James is frequently featured on Forbes, Hollywood Reporter, and Green Market Report as an expert in cannabis retail branding.

Green Entrepreneur



STIIIZY'S JAMES KIM: WARRIOR ON TWO FRONTS

The cannabis industry is tough, but few entrepreneurs have had an experience as intense as that of STIIIZY CEO co-founder and managing director James Kim, who at 18 did an Iraq tour of duty with the Army's 101st Airborne Division.

[REDACTED]



WEEDWEEK

Five Succinct Questions With James Kim, Founder Of STIIIZY



Warren Bobrow Former Contributor »

Vices

I work with cannabis and have done some wild things in life. cocktailwhisperer.com



product picture PHOTO COURTESY: STIIIZY

I'm very familiar with the STIIIZY vape-pen system since these marvelous contraptions have accompanied me back and forth (several times) across the country via air. Thus they pass the most important test of my many vape cartridges. That would be the leaking under pressure test. STIIIZY passes, every time.

Others haven't and have created a mess in my pocket or briefcase. Either you pass or fail, STIIIZY doesn't leak, so it never fails to satisfy me.

[REDACTED]

James Kim is an army vet and co-founder of Stiizy a cannabis company and hip weed shop in downtown LA.

**Jonathan Small**

ENTREPRENEUR STAFF

Editor in Chief of Green Entrepreneur



November 11, 2019 2 min read

**Jon Avidor**

Co-Owner and Executive Chairman

Jon Avidor brings extensive experience in corporate governance and cannabis law. He has counseled both businesses and government agencies on cannabis regulations, and is a seasoned veteran in incorporating appropriate corporate governance and controls into a cannabis business. At Masur Griffiths Avidor LLP, Jon advised numerous cannabis companies on corporate governance, compliance and complex business transactions. Jon is considered a leading expert in corporate governance and capital markets in the cannabis industry and has been a featured speaker at Institutional Capital and Cannabis, Cannabis Investor Forum, and CannalInsider.

Brian, Dr. Mitchell, James and Jon's resumes are below.



BRIAN MITCHELL
BRIAN@SHRYNEGROUP.COM

Overview

Brian is an accomplished entrepreneur with a successful track record in the construction and cannabis industries, having created hundreds of jobs throughout California. He led the vertical integration of the Shryne Group, a cannabis holding company with licenses and operations throughout the state, and one of the leading enterprises in the burgeoning industry today. Prior to Shryne Group, Brian founded Northstar Equities Inc. that invested in cannabis upstarts and related assets eventually consolidating them into a diversified and successful holding company and investment firm.

Shryne Group, Los Angeles, CA – Chief Executive Officer

JULY 2019 - PRESENT

- Oversee Shryne Group's operations across all vertically integrated divisions - cultivation, manufacturing, distribution, and retail efforts, including brands STIIIZY, Honeyleaf and EFEX
- Lead team of more than 400 employees across Shryne Group's vertical cultivation, manufacturing, distribution, and retail
- Spearhead Shryne Group's acquisition, implementation, and strategic growth efforts

Northstar Equities, Walnut Creek, CA – Founder/Chief Executive Officer

JULY 2017 - PRESENT

- Consolidated commercial cannabis real estate and licensing assets across California for diversified cannabis holding company/investment firm
- Led strategic vision for company in cannabis acquisition, real estate, brand and distribution, cultivation and retail space
- Served as Chief Executive Officer of La Corona Wellness and the Authentic Brands; co-founded Briceland Farms

Signature Painting and Construction, Inc., Walnut Creek, CA – Founder

OCTOBER 2008 - PRESENT

- Hired and managed team of close to 200 construction and painting professionals and led all financials, strategic vision and operations
- Grew Signature into one of the largest HOA and multi-family painting and construction companies in the state of California

Education

University of California, Davis – BA, Economics

Dr. Albert M. Mitchell
REDACTED

Experience

Authentic Fairfield – Fairfield, CA 94533

May 2020 – Present

Chief Medical Officer

Private Practice of Neurology – Albert M. Mitchell, D.O., Fairfield, CA 94533

1991 – Present

Diagnose and treat disorders of the brain, spinal cord, peripheral nerves, muscles, and the involuntary nervous system that controls the heart, lungs and other organs. Treat headaches, stroke, dementia, seizures, epilepsy, multiple sclerosis, sleep disorders and neuromuscular diseases.

David Grant Medical Center – USAF, Travis Air Force Base

1988 – 1991

Professional License

State: California

License Number: 20A5684

Date: March 20, 1989

Education

St. Anselm College, Manchester, NH, BA in Natural Science

May 1976

New England College of Osteopathic Medicine, Biddeford, ME, Doctorate

May 1984

Richmond Heights General Hospital, Richmond Heights, OH, Internship

July 1, 1984 – June 30, 1985

Wilford Hall Medical Center, Lackland AFB, Residency

July 1, 1985 – June 30, 1988

Presentations

- Society of Air Force Physicians Annual Meeting, Bethesda, MD – March 1989. “Transient Cortical Blindness and Seizures; and possible association with Cisplatin Chemotherapy”
- David Grant Medical Center – USAF Tahoe Medical Symposium, South Lake Tahoe, NV – January 1991. “Coma”



JAMES KIM
JAMES@SHRYNEGROUP.COM

Overview

James Kim is the co-creator of STIIIZY, one of the most popular brands today in the country's state-regulated cannabis industry, and sold in multiple states. STIIIZY is consistently ranked among the top 10 best-selling cannabis brands in California, the world's largest legal cannabis market. Today STIIIZY is part of Shryne Group, a vertically integrated cannabis holding company with an asset and license portfolio that spans the Golden State and employs hundreds of people. James is a co-founder of Shryne Group and holds the title of managing director overseeing marketing and product innovation.

Shryne Group, Los Angeles, CA — Managing Director

JULY 2019 - PRESENT

- Oversee Shryne Group's efforts to bring California cannabis brands to life for consumers as part of the executive leadership team.
- Lead the innovation and development of Shryne Group's advanced cannabis delivery systems across multiple brands.
- Guide the overall vision around architecture, art and design for Shryne Group's retail properties, including the flagship experiential retail STIIIZY store in Downtown Los Angeles.

STIIIZY — Co-founder

JULY 2017 - PRESENT

- Spearhead brand and marketing integration efforts for Shryne Group's award-winning STIIIZY brand.
- Facilitate STIIIZY's lifestyle and apparel partnerships.
- Oversee technology and innovation for the product development team.

Kilo E-Liquids — CEO

OCTOBER 2008 - PRESENT

- Co-founded internationally recognized, award-winning vaporizer brand.
- Led technology and innovation development efforts for Kilo's e-liquid delivery system devices.
- Developed the brand's vision, lifestyle and cultural marketing efforts.

US Army — Specialist

AUGUST 2006 - JANUARY 2010

Served in the 101st Airborne Division, including one tour in Iraq.



JON AVIDOR
JON@SHRYNEGROU.COM

OVERVIEW

Jon is an accomplished attorney and investor. He has extensive experience with complex corporate transactions and in 2016 founded his own law firm Startup.Law and co-founded the investment firm World Trade Ventures. Jon is licensed to practice law in New York and California and is the co-founder of The Urban Resource Project, a non-profit tackling poverty through technology. He holds a JD-MBA cum laude from Northwestern University.

Shryne Group, Los Angeles, CA — Executive Chairman

JULY 2019 - PRESENT

- Serves as Chairman of the Board, oversees corporate strategy, legal affairs, compliance and human resources.
- Oversees investor relations, and ensures capital funding for growth initiatives.

World Trade Ventures, New York, NY — Partner

JULY 2016 - PRESENT

- Raised and deployed over 25 million into venture capital investments.
- Deployed venture capital to NYC innovators powering the next generation of market disruption, including SilverTech Ventures, a Silverstein-backed incubator located in the World Trade Center.

Masur Griffiths Avidor LLP, New York, NY — Partner

OCTOBER 2016 - PRESENT

- Corporate lawyer representing companies in business transactions ranging from M&A and venture finance to commercial contracts.
- Built Avidor Law PC into respected boutique law firm and sold to Masur Griffiths LLP, which merged to form Masur Griffiths Avidor LLP.

Goodwin Procter LLP, New York, NY — Associate Attorney

JANUARY 2015 - JUNE 2016

- Represented financial institutions, principals and targets in high-value M&A, capital markets and real estate transactions such as; Priceline.com Inc. purchase of Kayak.com, KBW, Inc.'s sale to Stifel Financial, and various transactions for Goldman Sachs & Co. and AT&T Inc.

Education

- Kellogg School of Management, Northwestern University, Evanston, IL — *Masters Business Administration*
- Northwestern University School of Law, Chicago, IL — *Juris Doctor (JD), Cum Laude*

SHRYNE GROUP, INC. | 728 E. COMMERCIAL STREET | LOS ANGELES, CALIFORNIA 90012
A CALIFORNIA COMPANY

Experience

In addition to the extraordinary experience of our individual owners, Shryne Group, the parent entity of the applicant, is one of the most experienced cannabis operators in the country with over 2,500,000 cannabis transactions since its inception through its 3 cultivation, 3 manufacturing, 3 distribution and 8 retail operations in California with 21 more cannabis operations currently under construction.



Every sale to a customer gives us a chance to improve our Standard Operating Procedures, compliance protocols, security plan and customer service, and we continue to strive towards perfecting our operations with more transactions and more store openings every month.

A summary of Shryne Group's California state licenses is below:

License No.	Business Name	Premises	License Type
C10-0000053-LIC	BCOK INC	3326 Mission St San Francisco, CA 94110	Storefront Retail
C10-0000713-LIC	United 415, Inc.	180 O'Farrell St San Francisco, CA 94102	Storefront Retail
C10-0000448-LIC	CV Wellness, LLC	426 McHenry Ave Modesto, CA 95350	Storefront Retail
C11-0000009-LIC	Evergreen Development Services, LLC	5131 Ericson Way Arcata, CA 95521	Distributor
CDPH-10003608	Evergreen Development Services, LLC	5131 Ericson Way Arcata, CA 95521	Volatile Manufacturing
PAL18-0000577	Farm87	1550 Old Summerville Creek Rd Unincorporated, CA 95542	Medium Mixed Light Tier 1 Cultivation
C11-0000620-LIC	Ironworks Collective, Inc.	718 E Commercial St Los Angeles, CA 90012	Distributor
CDPH-10003246	Ironworks Collective, Inc.	718 E Commercial St Los Angeles, CA 90012	Non-Volatile Manufacturing
C10-0000346-LIC	Ironworks Collective, Inc.	718 Commercial St Los Angeles, CA 90012	Storefront Retail
CCL19-0000599	Ironworks Collective, Inc.	718 E Commercial St Los Angeles, CA 90012	Small Indoor Cultivation
CDPH-10003198	JBTB Holdings, Inc.	1031 98th Ave Oakland, CA 94603	Volatile Manufacturing
CCL19-0005631	JBTB Holdings, Inc.	1031 98th Ave Oakland, CA 94603	Specialty Indoor Cultivation
C11-0000586-LIC	JBTB Holdings, Inc.	1031 98th Ave Oakland, CA 94603	Distributor
C10-0000661-LIC	Main Street Supply	1528 Webster Street Alameda, CA 94501	Storefront Retail
C12-00001890-LIC	Nibble This LLC	1181 S E St. San Bernardino, CA 92408	Storefront Retail
C10-0000112-LIC	Olive Drive Enterprises, LLC	965 Olive Drive, Suite G1 Davis, CA 95616	Storefront Retail
CCL19-0005368	SGI Ducommon LLC	706 E Ducommun Street Los Angeles, CA 90012	Medium Indoor Cultivation
CCL19-0005367	SGI Jackson LLC	701 Jackson Street Los Angeles, CA 90012	Small Indoor Cultivation
C10-0000275-LIC	Strategic Green Partners LLC	72180 Highway 111 Palm Desert, CA 92260	Storefront Retail

Copies of the above licenses can be provided upon request and are also available at <https://online.bcc.ca.gov/bcc/customization/bcc/cap/licenseSearch.aspx>. Additionally, Shryne Group has received city approval for 21 more retail and cultivation licenses which are pending state approval and issuance of state licenses.

Vertical Integration Advantage

In addition to our leadership and experience operating numerous retail, cultivation, manufacturing and distribution operations, Shryne is one of the only truly vertically integrated cannabis companies in California. While other cannabis retailers may also claim to be vertically integrated, to our knowledge, Shryne is the only California retailer which carries a majority of products which are cultivated and manufactured in-house. This vertical integration qualifies us as a top cannabis retail store for the following reasons.

Industry Best Testing Standards

Shryne's three cultivation facilities, three manufacturing facilities and three distribution centers are each equipped with the most rigorous testing, inspection and compliance standards to ensure that the products which are eventually delivered and sold at Authentic Fairfield are the safest and purest cannabis products in the world.

For example, while the State of California only requires products to undergo one stage of regulatory compliance testing prior to being sold to consumers pursuant to 16 CCR § 5715, all of Authentic Fairfield's products will undergo two additional layers of testing to ensure the safety of our products as follows:

REDACTED

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]

REDACTED

Shryne's State of the Art Cultivation Facility in Humboldt

Initial safety testing conducted



Flower is extracted into concentrate form at Shryne manufacturing facility

The concentrate undergoes a second safety test with CannaSafe

The concentrate is combined with its delivery method, such as gummies, at our manufacturing facility

The product in its final form is tested a third and final time for composition and safety and receives a Certificate of Analysis.



Final products sold to our customers have been in Shryne's control from seed to sale and have been tested on three separate occasions.

In contrast, cannabis dispensaries that are not vertically integrated cannot guarantee the safety and quality of the products they are selling because they do not control the cultivation and manufacturing processes.

Product Quality

In addition to the purity and safety of the products which Shryne's vertical integration can assure, this integration has also permitted us to offer the highest quality and most effective products in the market today. The two extra layers of testing at the cultivation and extraction levels allow us to inspect cannabinoid composition and potency levels, terpene levels (which can affect taste) and moisture levels (which can affect shelf life and texture), all of which need to meet Shryne's proprietary formulation standards. Such attention to detail and commitment to producing the highest quality flower, edibles, oils and other products have led to our products having a cult like following at our stores and at over 90% of stores in California. In fact, our Honeyleaf, Efex, Palmas, Stiizy, Biiit, and Liiit brands which come in flower, oil, edible, tincture, pure-CBD and other delivery systems are some of the most popular products in California as evidenced by the fact that we were named the most popular marijuana brand in the United States as of December 2019 according to Pioneer Intelligence and Brand of the Year by California Cannabis Awards. Many of the customers at our retail stores cite our vast selection of these in-house brands as one of the main reasons they continue to return to our stores. Much like other popular brands such as Burberry or Nike which also have their own dedicated retail stores, the loyal following of our in-house brands equates to an instant customer base upon opening of our retail stores.



Competitive Pricing

In addition to the safety and quality of the products sold at our stores, our vertical integration provides all our retail stores the competitive advantage of being able to sell our products at prices which are on average **REDACTED** than the average licensed California dispensary.

In California, illicit market sales of marijuana currently dwarf the sale of marijuana at legally licensed dispensaries on a 3:1 basis due to the cheaper prices these illicit market sellers are able to charge. Illicit market stores and delivery services are unaffected by the state and city taxes, restrictions on hours of operation, sale volume limits, product testing requirements and other regulations which increase the prices of legally sold products. As a result, legal dispensaries are struggling to meet their estimated tax promises to cities and the State or even stay open because illegal stores are able to sell products at 25% less than legal stores.

Authentic Fairfield, on the other hand, will be able to leverage its parent company's "in-house" cultivation, manufacturing and distribution operations so that the end product sold to our consumers will be on average **REDACTED** **REDACTED** than our competitors.



Own flower transferred to own manufacturing facility at REDACTED to third party cultivator



Flower processed at own manufacturing facility and distributed by our own distribution network to retail stores at REDACTED



Final products sold to customer at prices which are REDACTED less than competitors due to vertical integration

Unmatched Success

The experience of our individual owners, the experience our entire firm has gained through our 18 current operations and our vertical integration has resulted in our rise as the preeminent cannabis retail operator in California. In some of the most highly competitive and highly regulated jurisdictions, Shryne Group's retail stores are on pace in 2020 to have annual revenues in excess of \$17,814,200 per store, which is more than 7 times the annual revenue of the average dispensary in California according to data from the California Department of Tax and Fee Administration.

See below the August 2020 revenue numbers for our operating stores and taxes paid for August 2020 (San Bernardino and Union Street San Francisco opened in August and October, respectively).

City	Gross Sales	Sales Tax	Local Cannabis Tax
Alameda*	\$750,534	\$66,047	N/A
Davis	\$1,149,761	\$86,692	\$70,181
Palm Desert	\$673,753	\$48,106	\$46,831
Los Angeles	\$7,328,983	\$605,374	\$448,288
Mission San Francisco*	\$998,292	\$77,168	N/A
Modesto	\$987,183	\$70,475	\$55,200
August Total	\$11,882,506	\$953,862	\$620,500
Annualized	\$142,590,072	\$11,446,344	\$7,446,000

**Alameda and San Francisco do not impose a cannabis tax based on sales.*

While most cannabis companies continue to lose money and go out of business, Shryne's profitable retail and wholesale business is on track to generate \$240,000,000 in 2020.

1.2. Budget

As seen in the Start-Up Costs and 3 Months Operational Expenses which comprise the initial budget to the right, Authentic Fairfield anticipates costs to be upwards of [REDACTED] to get Authentic Fairfield up and running for the first three months. The estimated startup costs include lease payments, construction costs, operating costs, maintenance, compensation of employees, equipment costs, utility costs, and other operational costs.

Authentic Fairfield's estimated startup costs are based on Shryne Group's extensive participation in the commercial cannabis industry. Shryne Group has built and opened 8 retail commercial cannabis businesses, 3 cultivation facilities, 3 manufacturing facilities, and 3 distribution facilities across the state. This experience allows us to provide accurate estimates and allocate sufficient capital to ensure the timely completion of the project.

1.3. Proof of Capitalization

The opening and operation of Authentic Fairfield will be funded by cash on hand by the parent entity, Shryne Group Inc., which currently has cash on hand in excess of [REDACTED]. As a subsidiary of one of the only profitable cannabis companies in California, Authentic Fairfield will not have to rely on debt or other third-party financing. The bank statement below is of Shryne Group's wholly owned subsidiary SGI Retail LLC and only shows a small fraction of total liquid assets, and the owners are committed to making any and all capital contributions necessary to support startup and ongoing operations. The complete document can also be found as FILE #4.

<i>Initial Investments</i>	
LINE ITEM	AMOUNT
Start-Up Costs	REDACTED
3 Months Operational Expenses	REDACTED
TOTAL	REDACTED

REAL ESTATE AND ADMINISTRATIVE EXPENSES	TOTALS
Lease Payments	REDACTED
Construction/Remodeling (incl. Security)	REDACTED
Legal and Accounting Fees	REDACTED
Insurance	REDACTED
Pre-Opening Salaries and Benefits	REDACTED
Certificate of Occupancy	REDACTED
State Cannabis Licensing	REDACTED
Business License	REDACTED
Building Permits	REDACTED
Totals	REDACTED

CAPITAL EQUIPMENT LIST	TOTALS
Furniture	REDACTED
Equipment	REDACTED
Fixtures	REDACTED
Track and Trace & IndicaOnline POS	REDACTED
Vehicle Leases	REDACTED
Totals	REDACTED

OPENING INVENTORY	TOTALS
Dry Flower	REDACTED
Concentrates	REDACTED
Accessories	REDACTED
Totals	REDACTED

ADVERTISING AND PROMOTIONAL EXPENSES	TOTALS
Advertising	REDACTED
Signage	REDACTED
Printing	REDACTED
Totals	REDACTED

OTHER EXPENSES	TOTALS
Reserve for Contingencies	REDACTED
Totals	REDACTED

ESTIMATE TOTALS FOR INITIAL INVESTMENT	REDACTED
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P.O. Box 15284
Wilmington, DE 19850

SGI RETAIL LLC
575 ANTON BLVD STE 880
COSTA MESA, CA 92626-7044

Business Advantage

Customer service information

- 1.888.BUSINESS (1.888.287.4637)
- bankofamerica.com
- Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

Your Business Fundamentals Checking Relationship Rewards Platinum Honors

for August 1, 2020 to August 31, 2020

SGI RETAIL LLC

Account number: REDACTED

Account summary

Beginning balance on August 1, 2020

REDACTED

Deposits and other credits

Withdrawals and other debits

Checks

Service fees

Ending balance on August 31, 2020

of deposits/credits: 0

of withdrawals/debits: 0

of items-previous cycle¹: 0

of days in cycle: 31

Average ledger balance: REDACTED

¹Includes checks paid, deposited items & other debits

1.4. 3 Year Pro Forma

Authentic Fairfield expects great success in Fairfield. At other Shryne Group stores, customers spend roughly [REDACTED] a visit. Our proposed location is visible from I-80 and is less than 1500 feet off of the Waterman Boulevard Exit. The location is larger than our other locations at 10,537 square feet and will boast 101 parking spots. With this factor in mind as well as the median income level for the Fairfield area, the population, and the limited number of cannabis retail stores nearby, Authentic Fairfield expects to generate \$ [REDACTED] in gross revenue for Year 1. The following 3-Year Pro Forma was prepared by Shryne Group's CFO.

Authentic Fairfield - 3 YEAR PRO-FORMA				1st Year Only
SALES	Year 1	Year 2	Year 3	Per Day
Dispensary	REDACTED			
Deliveries				
TOTAL SALES				
COST OF GOODS SOLD	Year 1	Year 2	Year 3	Per Day
Dispensary	REDACTED			
Deliveries				
TOTAL COGS				
GROSS PROFIT	REDACTED			
OPERATING EXPENSES	Year 1	Year 2	Year 3	Per Day
Advertising and Promotion	REDACTED			
Automobile/Gas				
Bank Service Charges				
Business Licenses and Permits				
Computer and Internet				
Continuing Education				
Insurance				
Merchant Account Fees				
Miscellaneous Expense				
Office Supplies				
Payroll Processing				
Postage and Delivery				
Printing and Reproduction				
Professional Services-Legal				
Accounting				
Lease Payments				
Wage and Benefits Expense				
Telephone				
Utilities				
TOTAL OPERATING EXPENSES	\$	REDACTED		
OPERATING PROFIT	\$	REDACTED		
INTEREST (INCOME), EXPENSE, AND TAXES	Year 1	Year 2	Year 3	Per Day
Depreciation	REDACTED			
Local Cannabis Tax*				
TOTAL				
NET PROFIT (LOSS)				

*Local Cannabis Tax calculated at 6%. Income Taxes Not Included; State Sales Tax Paid by Customer

1.5. Hours of Operation and Opening and Closing Procedures

Hours of Operation

Pursuant to Fairfield Municipal Code ("FMC")³ § 10E.25(g), and in compliance with 16 California Code of Regulations ("CCR") § 5403, Authentic Fairfield's hours of operation will be from 9:00 a.m. to 10:00 p.m. daily unless the Fairfield cannabis license has different requirements for our hours of operation.

Authentic Fairfield will not open the dispensary to the public or deliver any cannabis goods outside of its regular retail hours. To ensure compliance with this policy, management will instruct all employees not to allow the sale of any cannabis goods outside of Authentic Fairfield's regular retail hours, and Authentic Fairfield's point-of-sale system will be programmed so that sales cannot be processed before 9:00 a.m. or after 10:00 p.m.

To communicate scheduled opening and closing times to customers, Authentic Fairfield will post the hours of operation in a conspicuous location in the dispensary lobby and on its front entrance. Authentic Fairfield's security guards will ensure that all customers have exited the premises by conducting a sweep of the premises at closing time and politely escorting any remaining customers off of the premises.

Opening and Closing Procedures

Authentic Fairfield appreciates the importance of uniform opening and closing procedures in order to ensure the dispensary is ready for customers in the morning and secure at the end of the day. Authentic Fairfield has developed checklists to ensure that employees adhere to opening and closing procedures. Authentic Fairfield employees will do the following daily pursuant to the checklist:

Opening Procedures

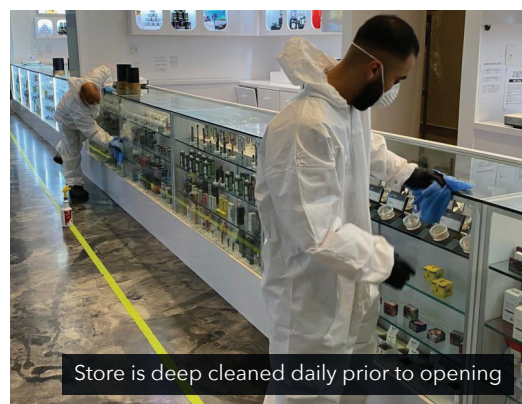
- Overnight security will permit the cleaning team to perform their daily deep cleaning of the entire store.
- **REDACTED**
- **REDACTED**
- **REDACTED**
- **REDACTED**
- Employees ensure air conditioning/heat is set and turned on as appropriate.
- Employees verify that carbon filters/HVAC are in working order and cannabis odor is not present inside or outside the facility.
- Employees check to ensure line up area inside and outside have markers for customers to stand at least 6 feet apart.
- Employees turn on and start computer and verify IndicaOnline is working.
- Employees ensure all city and state cannabis and business licenses are properly displayed.
- Employees ensure all educational handouts and other materials for customers are visible and available for the day's customers.
- Employees ensure all no-loitering signs, no consumption on-site signs and age requirement signs are properly displayed.

3 <https://www.codepublishing.com/CA/Fairfield/#!/Fairfield10E.html>

- Employees turn on equipment at point-of-sale locations.
- Employees check store email and respond to emails as necessary. Review other notes from prior night's closing team.

- **REDACTED**
- **REDACTED**
- **REDACTED**

- Employees check waste bins were emptied the night before and any empty boxes or containers are cleared away.
- Employees check if the soap dispensers and first-aid box need replenishing.
- Employees report any equipment failures to manager on site.
- Employees sweep sidewalk and parking lot and pick up litter on sidewalk outside premises.
- Manager and Employees check all areas for cleanliness.
- Employees check reception desk for any messages from the closing employee.
- Verify locked counters have adequate amounts of cannabis and that inventory is properly sealed, packaging is intact and not damaged, and all products are not otherwise defective, leaking, or damaged.
- Manager meets with employees to review daily goals, duties, and objectives.
- Manager checks off opening procedures checklist.
- Employees unlock front door for customers.



Closing Procedures

- 15 minutes prior to closing, store will announce to customers that the store is closing.
- Employees will verify that all customers have left the store.

- **REDACTED**
- **REDACTED**
- **REDACTED**
- **REDACTED**
- **REDACTED**

- Empty all waste bins and clear away any boxes or containers.
- Clean all working and computer surfaces, using company-approved cleaning materials and methods.
- Set cooling or heating system for after-hours setting.
- Leave any necessary messages for the morning shift the following day.

- **REDACTED**
- **REDACTED**
- **REDACTED**
- **REDACTED**

1.6. Additional Criteria for Retail Applications

DAY-TO-DAY OPERATIONS FOR A RETAIL LICENSE

1.6.1.a. Describe Customer Check-In Procedures.

After the store opening procedures are completed, Authentic Fairfield will be ready for customers to be checked in starting at 9:00 a.m. daily. Upon entering the store through the front entrance, every customer's temperature will be taken as a sign for COVID-19 symptoms. After the temperature check, each customer and medical patient will be required to check in at the reception desk placed at the front of the waiting area prior to entering the sales floor. This waiting area will have markers for customers to stand in line at least 6 feet apart as they wait to be checked in at the reception desk. The markers will extend out into the parking lot area of the property so that customers are required to stand at least 6 feet apart while they wait in the designated line outside.



The waiting area and sales floor will be separated by a door and persons without proper identification will not be permitted to cross this door into the retail floor pursuant to FMC § 10E.25(a). All employees will be trained on acceptable forms of identification according to 16 CCR § 5404(c), a summary of which is included below:

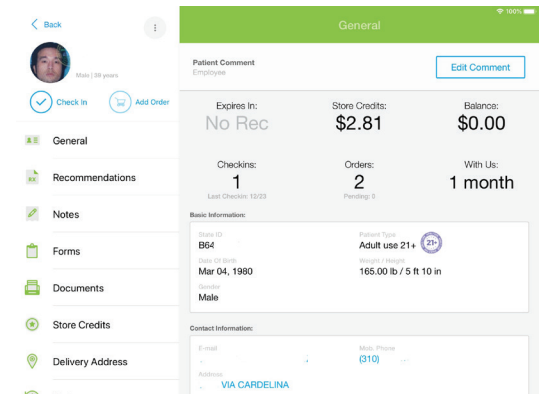
- A. If the customer is 21+ years of age and entering the dispensary area, the customer must provide:
 - i. A document issued by federal, state, county, or municipal government, or a political subdivision or agency thereof, including a valid motor vehicle operator's license, that contains the name, date of birth, height, gender, and a photograph of the person;
 - ii. A valid identification card issued to a member of the Armed Forces that includes the person's name, date of birth, and photograph; or
 - iii. A valid passport issued by the United States or by a foreign government.

- B. If the customer is 18-20 years of age, the customer must provide one of the previously mentioned forms of identification and possess a valid physician's recommendation or a Medical Marijuana Card. Under no circumstances will doctor recommendations be provided at the dispensary.
- C. Only customers verified to be over the age of 21 and medical patients verified to be over the age of 18 will be allowed to remain on the premises in accordance with FMC § 10E.24(g).
- D. Check-In Associates will not accept any form of identification that is physically adulterated in any way that impedes the employee from verifying the individual's identity to include the photograph, physical attribute descriptions, and physical address location. Check-In Associates will not accept identification that is expired. Check-In Associates will be trained by security personnel to recognize false and adulterated forms of identification, and any individual caught presenting false information will be banned from the facility.

Pursuant to FMC § 10E.24(g)(3), Authentic Fairfield will also prominently post notices at the entrance to the dispensary stating that no person under the age of 21 (except a medical patient over the age of 18) is permitted on the premises.

Once the Check-In Associate has verified the guest is legally of age to enter the dispensary, the Check-In Associate will register the guest within the point-of-sale system, IndicaOnline,⁴ by taking a photograph of the front and back of the guest's valid identification, all with the IndicaOnline tablet.

A profile has now been created. With this profile, sales associates can digitally confirm doctor's recommendations for medical patients, ensure that a customer does not exceed daily purchase limits, and confidentially maintain customers' contact information and purchase history in case a product recall is ever required. Additionally, check-in for returning customers will only require scanning of the acceptable form of identification after Check-In Associates have examined the authenticity of the identification, which will speed up the check-in process. Once the identification has been verified and the customer has been checked in at the front, the customer will be permitted to enter the sales floor through the buzzer-controlled door.



⁴ <https://indicaonline.com/dispensaries/>

After entering the dispensary from the waiting area, the customer will be welcomed into a wide-open floor space made of marble-esque epoxy flooring, with retail counters along the walls as soon as you walk onto the retail floor. Customers ready to shop will wait in the line which will form in the open floor area in the middle of the retail floor. A sales associate will stand at the front of the line to let customers know that a sales associate behind the shopping counter is ready to serve them and also to ensure that all customers stand 6 feet apart while they wait in line. Similar to the check-in area queues, markers will be placed on the floor of this designated line area for the customers to stand at least 6 feet apart while they wait.

All of Shryne Group's retail stores contain art from local artists and are constructed with the help of local subcontractors and vendors as part of its mission to support the local communities and to embrace the local patrons, businesses, and organizations that it hopes to foster long-term relationships with.



Painting by Los Angeles native Retna

Other than t-shirts and other merchandise not containing any cannabis, the dispensary will not have any products on the sales floor accessible to any customers. All flower and products containing cannabis will only be accessible to employees through the secure glass display of the retail counters and in the secure inventory room. Diversion of cannabis products is an epidemic in the industry, especially at retail stores that permit "grab-and-go."⁵ However, due to the fact that all of Shryne Group's products are secured behind locked glass cabinets and Shryne Group's comprehensive security system, its eight operating retail stores have had zero incidents of theft to date.

5 <https://sacramento.cbslocal.com/2019/09/03/sacramento-police-marijuana-dispensary-breakins/>



The customer will be able to approach any of the retail counters more closely peruse the product offerings and consult with highly trained sales associates on the different strains and product types available for purchase. Authentic Fairfield's expert sales associates will warmly greet the customer and will offer to every customer its educational materials on the science of cannabis, safe dosing, delivery methods, and the different strains of cannabis and their effects, which will be updated on a bi-weekly basis. Employees will all wear conspicuous badges, in accordance with 16 CCR § 5043, identifying themselves as employees so that customers can readily ascertain who they can approach for questions.



Customer surveys have revealed that customers seeking cannabis for back pain, anxiety, insomnia, and other ailments have found Shryne Group's customer education materials especially helpful. Many of Shryne Group's customers are first-time cannabis customers and have cited the educational and welcoming environment for the reasons they come back to its stores.

Safe Dosing and Delivery Methods

Cannabinoids

Cannabinoids are chemical compounds found throughout the cannabis plant with a high concentration in the trichomes. The most common cannabinoids are THC and CBD, but there are hundreds of other cannabinoids with different properties and uses.

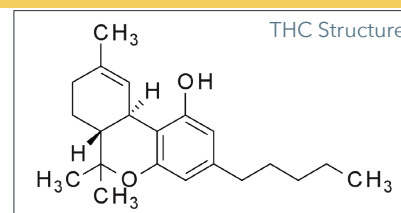
When cannabis is consumed, cannabinoids bind to these receptors (Called CB1 and CB2) throughout the body. THC strongly binds to CB1 receptors in the brain, which is why we get that euphoric high. CBD doesn't bind strongly to these receptors, that is why there are little to no psychoactive effects. Cannabinoids interact with receptors in the brain and body to create various effects.



What is THC?

Tetrahydrocannabinol, is the dominant psychoactive compound found in the plant, and its the reason cannabis makes us feel hungry, happy, and euphoric.

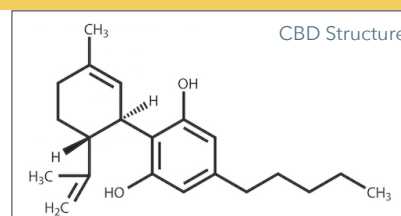
- THC causes the psychoactive effect in cannabis
- THC may cause dizziness and disorientation as it can influence your physiological parameters
- Therapeutic effects include:
 - Pain Relief
 - Neuroprotection
 - Muscle Relaxation
 - Anti-inflammatory



What is CBD?

Cannabidiol, is the second most abundant cannabinoid produced by cannabis, CBD has become quite popular for its mellow, clear-headed, non-psychoactive experience.

- Significantly less psychoactive
- Non-toxic
- Does not significantly influence physiological parameters like heart rate, breathing, or blood pressure
- Helps influence the effect of cannabis by influencing the receptor that binds and metabolizes THC
- Therapeutic effects include:
 - Pain Relief
 - Neuroprotection
 - Muscle Relaxation
 - Anti-inflammatory



1.6.1.b. Identify Location and Procedures for Receiving Deliveries During Business Hours.

All cannabis products will be received REDACTED

REDACTED

As part of Shryne Group’s mission to be accountable for all inventory, Shryne Group will mandate the following product intake procedures to ensure the accountability and safe receipt of all products delivered to its Fairfield retail location, Authentic Fairfield.

Before an order is placed with a vendor, the REDACTED



[illegible]

IndicaOnline

- Commercial Cannabis Business Permit Application – Storefront Dispensary

All of this information permits Authentic Fairfield to contact customers in case of an emergency like a recall or defective product. IndicaOnline also keeps track of past purchases so a customer does not exceed the legally permissible amount and permits our sales team to send direct messages regarding store sales if the customer has opted in to receive such information.

Additionally, the IndicaOnline Point of Sale system is integrated into the METRC track and trace system so that all sales, returns and movement of inventory in and out of the store is sent via METRC to the State of California.

The store will have 19 Point of Sale systems to assist the large number of customers we expect at our store.

REDACTED

Once it is a customer's turn to purchase a product, the sales associate will first check the customer's ID a second time as a second line of defense against underage purchasing pursuant to FMC § 10E.25(a). If the customer is eligible to make a purchase, the sales associate will pull up the customer's profile on IndicaOnline, confirm that the customer's purchase does not exceed his or her daily limit and scan the product for sale on the IndicaOnline system, which will update the inventory count in the store. The customer will be able to purchase using cash or credit card utilizing our third party credit card system Hypur⁷. The sales associate will complete the transaction by placing the receipt and the cannabis products into an opaque, child-resistant package pursuant to FMC § 10E.25(e)(3).



⁷ <https://www.hypur.com/>

1.6.1.d. Estimate the Number of Customers to be Served per Hour/Day.

Shryne Group estimates that this Fairfield dispensary will serve on average 55-65 customers per hour and an average of 790 customers per day. The store will serve the most customers in between 12pm to 1:30pm and between 6pm to 8pm during the weekdays and from 2pm to 7pm on the weekends. The store will also likely serve the most customers Friday through Sunday. The chart below shows the estimated number of customers on each day.

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
770	740	770	730	850	850	820

1.6.1.e. Describe the Proposed Product Line to be Sold and Estimate the Percentage of Sales of Flower and Manufactured Products.

The customer will be able to choose from over 400 SKUs and 12 different types of products, including flowers, oils, vapes, pre-rolls, topicals, and edibles from the over 50 California vendors Shryne Group is currently engaged with and 15 of Shryne Group's own in-house brands, including Stiiizy, Honeyleaf, Efex, Palmas, Biiit, and Liiit. In fact, our in-house brands are the most popular brands in California as evidenced by the fact that we were named the most popular marijuana brand in the United States as of December 2019 according to Pioneer Intelligence⁸ and named 2019 Brand of the Year by California Cannabis Awards⁹. Shryne's products are currently carried at 90% of cannabis retail stores in California and many of our customers at our retail stores cite our vast selection of these in-house brands as one of the main reasons they continue to return to our stores.



⁸ <https://www.benzinga.com/markets/cannabis/19/10/14621437/report-cannabis-brands-stiiizy-lowell-and-dosist-dominate-marketing-while-mattio-pr-moves-the-ne>

⁹ <http://www.californiacannabisawards.com/>

Whether the customer is looking for physical pain relief, assistance sleeping or is simply looking to unwind, Authentic Fairfield's wide array of products from Shryne Group's own in-house brands and offerings from only the most reputable vendors will ensure there is something for every customer. Because of Shryne Group's vertical integration, approximately 60% of products sold at our stores will have been within our chain of custody and tested multiple times from seed to sale. All third-party products will also be strictly tested and their manufacturing and cultivation sites will be inspected to ensure that such third-party products also meet Authentic Fairfield's safety, testing and purity standards. See below the initial list of 330 SKUs we plan to carry at Authentic Fairfield.

WONDERBRETT - BANANA OG - 3.5G		Flowers
WONDERBRETT - ORANGE SUNSET - 3.5G		Flowers
STIIZY - PURPLE PUNCH - 1G POD		Vape
STIIZY - PURPLE PUNCH - 1G POD 1/17 (19660)		Vape
STIIZY - ADVANCED BIIG BATTERY		Battery
STIIZY - BIRTHDAY CAKE - .5G POD 1/17 (11157)		Vape
STIIZY - PAPA & BARKLEY - THC RICH 1:3 BALM - 15ML		Tincture
STIIZY - PARADISO - CHERRY OG - 3.5G		Flowers
STIIZY - PLUS PRODUCTS - 1:1 THC/CBD SOUR BLUEBERRY - 100MG		Edible
STIIZY - PLUS PR LIIT - PURPLE PUNCH - 3.5G		Flowers
STIIZY - PLUS PR LIIT - PURPLE PUNCH - 3.5G 1/17 (19675)		Flowers
STIIZY - PLUS PR LIIT - RA FUZZIES - SUPER SILVER HAZE - KING SIZED PREROLL 1/17 (21485)		Pre-Roll
STIIZY - PLUS PR LIIT - ST FUZZIES - WEDDING CAKE - 3 PK PREROLL 1/17 (21484)		Pre-Roll
STIIZY - PUNCH B LIIT - W FUZZIES - WEDDING CAKE - KING SIZED PREROLL 1/17 (21483)		Pre-Roll
STIIZY - PUNCH B LIIT - MEGA CALIVA - BLACK JACK - 3.5G		Flowers
STIIZY - PUNCH B LIIT - MEGA HEAVY H CALIVA - TOASTIES - SPK PREROLL		Pre-Roll
STIIZY - PUNCH B LIIT - MEGA HIGH CA CALIVAS - DOGWALKER - 4PK PREROLL 1/11 (15795)		Flowers
STIIZY - PUNCH B LIIT - MOXIE CANNADI 11:11 - WEDDING CAKE - 3.5G 1/11 (15791)		Flowers
STIIZY - PUNCH B LIIT - MOXIE CANNADI 2EZ - HYBRID - 1G PREROLL		Flowers
STIIZY - PUNCH B LIIT - MOXIE CANNADI 2EZ - INDICA - 1G PREROLL		Flowers
STIIZY - RAW GA MOXIE HONEYD 2EZ - SATIVA - 1G PREROLL 1/17 (19673)		Flowers
STIIZY - RAW GA MOXIE HONEYD ABX - 10 CT. SOFT GELS - 100MG		Edible
STIIZY - RAW GA MOXIE HONEYD CARE BY D ABX - SLEEPY TIME DROPS		Edible
STIIZY - RAW GA MOXIE HONEYD CLIPPER L BAG/LAGUNITAS - HI FI HOPS - 10MG THC		Drink
STIIZY - RAW GA MOXIE ISLAND - CONNECT ALIEN LAB - AREA 41 - 3.5G		Flowers
STIIZY - RAW GA MOXIE LEVEL - F CONNECT ALIEN LABS - BADDER FUELATO SAUCE - 1G 1/11 (15829)		Concentrate
STIIZY - RAW GA NUG - I LEVEL - F CONNECT ALIEN LABS - BADDER ZOOKIES SAUCE - 1G 1/11 (15828)		Concentrate
STIIZY - RAW GA NUG - C LEVEL - F COSMIC ALIEN LABS - PLANET DOSI - 3.5G 1/11 (15792)		Flowers
STIIZY - RAW GA NUG - C LEVEL - F CREME - B ALIEN LABS - SHERBACIO - 3.5G		Flowers
STIIZY - RAW GA NUG - D LIIL - 1:1 CRU - BLA AUTHENTIC - CHAMPAGNE - 3.5G		Flowers
STIIZY - RAW GA NUG - D LIIL - 1:1 CRU - GRE AUTHENTIC - COOKIES AND CHEM - 3.5G		Flowers
STIIZY - RAW GA NUG - E LIIL - 1:1 CRU - ICE AUTHENTIC - DRAGONS BREATH - 3.5G 1/17 (21477)		Flowers
STIIZY - RAW GA NUG - E LIIL - BL CRU - SKY AUTHENTIC - PUNCH LINE - 3.5G		Flowers
STIIZY - RIVERVIEW NUG - L LIIL - BL CRU - WE AUTHENTIC - PURPLE DEMON - 3.5G		Flowers
STIIZY - ROLLING NUG - L LIIL - BL CURE - MA AUTHENTIC - PURPLE PUNCH - 3.5G		Flowers
STIIZY - ROLLING NUG - M LIIL - DC AUTHENTIC - SOUR SANDIA - 3.5G		Flowers
STIIZY - ROSE DE NUG - S LIIL - GD AUTHENTIC - SUNDAY TRUFFLE - 3.5G		Flowers
THC DES SELECT B NUG - S LIIL - GE EFEX - AC AUTHENTIC - WIFI X COOKIES - 3.5G		Flowers
THC DES SELECT B OLD PA LIIL - HA EFEX - CH BEZZE - MEAT BREATH - 1G		Concentrate
URSA - P SELECT B PACIFIC LIIL - OC EFEX - CH BEZZE - OGKB - 1G		Concentrate
URSA - P SELECT B PACIFIC LIIL - PR EFEX - DR BEZZE - ORANGE FRUITY PEBBLES - 1G		Accessories
URSA - P SELECT B PACIFIC LIIL - PU EFEX - HE BIIT - ASSORTED SOUR GUMMIES - 100MG 1/17 (19672)		Edible
URSA - V SOURCE PALMA LIIL - SF EFEX - SO BIIT - BLACK CHERRY SOUR GUMMIES - 100MG		Edible
URSA - V STAFF DA PALMA LIIL - SK EMBER VA BIIT - BLUE RASPBERRY SOUR GUMMIES - 100MG		Edible
URSA - Z STASH JA PALMA LIIL - SO EMBER VA BIIT - GREEN APPLE SOUR GUMMIES - 100MG		Edible
WATER STICKER PALMA LIIL - ST ENJOYAB BIIT - STRAWBERRY SOUR GUMMIES - 100MG		Edible
STIIZY - PALMA LIIT - BE ENJOYAB BLASTED - ANIMAL COOKIES - 3.5G 1/24 (11687)		Flowers
STIIZY - PALMA LIIT - GR ENJOYAB BLASTED - CAKE BATTER - 3.5G 1/24 (11685)		Flowers
STIIZY - PALMA LIIT - HI FADE CO BLASTED - CAKE MONSTER - 3.5G 1/24 (11688)		Flowers
PALMA LIIT - HI FRIENDLY BLASTED - GAS HOUSE - 3.5G 1/11/20 (016131)		Flowers
PALMA LIIT - KI FRIENDLY BLASTED - KING LOUIS - 3.5G 1/24 (11689)		Flowers
PAPA & PAPA & LIIT - KI FRIENDLY BLASTED - MENTAL OG - 3.5G 1/24 (11686)		Flowers
PAPA & LIIT - MI FRIENDLY BLASTED - SKYWALKER - 3.5G 1/11/20 (016133)		Flowers
LIIT - PU FUN UNC BLASTED - TRIPLE OG - 3.5G 1/24 (11690)		Flowers
FUZZIES - BLOOM - BATTERY		Battery
FUZZIES - BLOOM - CHAMPAGNE KUSH - .5G		Vape
FUZZIES - BLOOM - GSC - 1G		Vape
FUZZIES - BLOOM - MAUIE WOWIE - 1G		Vape
FUZZIES - BLOOM - PINEAPPLE EXPRESS - 5G		Vape
FUZZIES - BLOOM - PINEAPPLE EXPRESS - 1G		Vape
FUZZIES - BLOOM - SKYWALKER - 1G		Vape
CALIVA - ALIEN OG - 3.5G 1/17 (21475)		Flowers

Authentic Fairfield anticipates that 50.3% of retail sales will be cannabis flower, of which 6.8% is pre-rolls, and 49.7% will be manufactured cannabis products. Manufactured cannabis goods include pens, batteries, and cartridges (23%), edibles (13%), concentrates (8.9%), and infused non-edible products (4.8%). Authentic Fairfield's proposed product line is listed below:

Flower	Authentic Fairfield will carry a wide variety of cannabis strains from across California. Authentic Fairfield's curated cannabis inventory will feature high-quality, laboratory-tested cannabis at all price points. THC content on cannabis will range from 10% to 35%. Cannabis flower varieties will include indica, sativa, and hybrid.
Pre-Rolls (Flower)	A pre-roll is exactly what it sounds like—a pre-rolled cannabis joint. Authentic Fairfield will carry pre-roll joints from a variety of licensed cultivators. THC content will range from 10% to 35%. Cannabis varieties will include indica, sativa, and hybrid.
Concentrates	Authentic Fairfield plans to carry live resin, budder, sauce, sugar leaf, and crumble.
Vapes	Vaporizers—also known as vape pens—are devices used to heat cannabis for inhalation. Vaping devices heat dry cannabis flower or oil concentrate to a temperature below combustion, usually in the range of 180–200°C (356–392°F). The heat releases active compounds from the cannabis and turns them into a vapor that can be inhaled. THC content of vapes will range from 35% to 90%.
Oil Cartridges or Pods	An oil cartridges or pod is a pre-filled container of cannabis oil or concentrate designed for use with an e-cigarette or vape rig. Cartridges and pods come in multiple formats, from 510-threaded cartridges that twist onto a battery to pods that magnetically snap into place. THC content of oil cartridges ranges from 35% to 90%.
Edibles	Edibles are food infused with cannabinoids. Cannabis edibles come in many forms, including brownies, cookies, gummies, and mints. Any recipe that calls for butter or oil can be readily infused with cannabis. The body processes edible cannabis differently than inhaled cannabinoids. When cannabis is ingested, cannabinoids enter the bloodstream through the stomach and liver, which increases potency and delays the onset of effects. Cannabis edibles typically contain 5–10 milligrams of THC per serving, with a maximum of 100 milligrams of THC per edible cannabis good.
Beverages	Cannabis-infused beverages are ingested like edibles. Cannabis-infused beverages include seltzers, sodas, non-alcoholic "hoppy water," and other drinks. Cannabis-infused beverages contain 5–10 milligrams of THC.
Topicals	Topicals are cannabis-infused lotions, balms, and oils that are absorbed through the skin for localized relief of pain, soreness, and inflammation. Because they are non-intoxicating, topicals are often chosen by patients who want the therapeutic benefits of cannabis without the cerebral euphoria associated with other delivery methods.
Tinctures	Tinctures contain a range of cannabinoids and are administered orally, sublingually, or in tandem with a beverage. Tinctures are often packaged in small glass bottles with droppers as caps for convenient dosing. They offer patients a method of consumption that does not require combustion or inhalation. Tinctures typically contain 100 milligrams of THC.

Capsules

Capsules are cannabis in pill form, typically used as a vehicle to administer medication through ingestion. Capsules can contain any form of cannabis and specific ratios of cannabinoids. Capsules often function as safer alternatives to vaping or smoking cannabis. Capsules typically range from 5 to 10 milligrams of THC.

In line with Shryne Group's vision of offering a luxurious yet inclusive environment, Authentic Fairfield will offer high-end artisanal products such as Alien Labs Area 41 REDACTED but also affordable products for cost-sensitive customers such as Shryne Group's in-house Honeyleaf Chocolate Hashberry REDACTED REDACTED which is 60% less expensive than the average price of cannabis at other legal dispensaries in California.



To assist customers in taking in and discerning the various products for sale, Authentic Fairfield will also permit third-party brands it carries to advertise their products free of charge through empty "vendor boxes," which will line the shelves along the walls behind the counters. The products will also be separated by delivery type (e.g., flower, gummies) and by strain (e.g., sativa, indica, hybrid) to assist the customer in identifying what they are looking for.



In accordance with 16 CCR § 5025(d), Authentic Fairfield will not sell alcohol or tobacco products at its dispensary.

1.6.1.f. Describe Delivery Service Procedures, Number of Vehicles and Product Security During Transportation.

Our experience in other cities has shown us that a well operated delivery business can provide an extra 30% in sales to the storefront retailer. At an estimate of approximately [REDACTED] in in-store revenue our first year, we estimate that our delivery will generate an additional [REDACTED] in revenue. The fact that our store is located within 1500 feet off of I-80 will allow us to deliver to areas as far as 60 miles away from the retail store. Because of the very few cannabis stores in Solano County and along I-80 corridor, this expansive reach will be necessary to cater to all of the customers who are unable to travel to Authentic Fairfield's retail premises to still obtain the high-quality cannabis products they desire.

Delivery Service Procedures

Receiving Delivery Orders

Depending on customer preference, Authentic Fairfield's customers will have the option to place delivery orders either by telephone or through Authentic Fairfield's website. Regardless of the order method used, customers will be informed during the order process that their age and identity will be verified at the time of delivery and that order fulfillment is contingent upon their identity being confirmed and their age being above the legal limit.

Once a new delivery order is received, a Sales Associate will first confirm that the order complies with daily sales limits and can be legally processed. The Sales Associate will then check that all of the desired products are in stock and that the order can be fulfilled in accordance with the customer's expectations. If any of the goods requested in a delivery order are unavailable, the Sales Associate will use professional judgment to offer a suitable alternative to the customer. If all of the requested goods are available, then the Sales Associate will process the order as requested by first documenting the customer's identifying information and checking the delivery address online to ensure that it is: (i) a physical address in California; (ii) not on publicly owned land or on land or in a building leased by a public agency; and (iii) not a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center in accordance with 16 CCR § 5416.

Delivery Order Processing

As part of order fulfillment, a Sales Associate will prepare a Delivery Request Receipt that contains the following information in accordance with 16 CCR § 5420(a):

- i. Authentic Fairfield's name and address;
- ii. The first name and employee number of the employee who will deliver the order;
- iii. The first name and employee number of the employee who will have prepared the order for delivery;
- iv. The first name and Authentic Fairfield-assigned customer number for the customer who placed the delivery order;
- v. The date and time of the delivery order;
- vi. The delivery address provided by the ordering customer;
- vii. A detailed description of all of the requested cannabis goods, including their weight, volume, or another accurate measure of the amount; and
- viii. The total amount paid for the delivery, including any taxes, fees, the cost of the cannabis goods, and any other charges related to the delivery.

The same Delivery Request Receipt will later be updated by the Delivery Employee to include the date and time the order was delivered, as well as the ordering customer's signature confirming their receipt of the order. The Sales Associate will also record this information in the customer's profile in the point-of-sale system, so that cannabis goods sold by Authentic Fairfield can be tracked in the event of a product recall.

All ordered cannabis goods will be gathered from inventory storage by the Inventory Manager and he or she will

visually inspect each product to ensure that it is not expired, that the packaging is intact and unopened, and that the product labeling is intact and legible. The Inventory Manager will then provide the items to the Sales Associate. The Sales Associate will either scan or manually document each item into the POS system. The following information will also be entered directly into Track-and Trace in accordance with 16 CCR § 5049(b):

- i. Name and type of cannabis goods;
- ii. Unique Identifiers (UID) of cannabis goods;
- iii. Amount of cannabis goods, by weight or count;
- iv. Date and time of sale;
- v. Any other information required by licensing authorities; and
- vi. Delivery orders will only be fulfilled if Authentic Fairfield has connectivity to Track-and-Trace.

To conclude order documentation, the Sales Associate will then add the ordered products to the delivery driver's Delivery Inventory Ledger, which will include for each good the: (i) type; (ii) brand; (iii) retail value; (iv) UID; and (v) weight or volume. Based on then-current retail prices, the Sales Associate will verify that the Delivery Inventory Ledger contains less than \$5,000 of cannabis goods as pursuant to 16 CCR § 5418(a). All delivery orders will then be placed into opaque exit packages, the same as previously mentioned, and will be provided to the Delivery Employee with copies of the corresponding Delivery Request Receipts and the Delivery Inventory Ledger in accordance with 16 CCR § 5418(e) & (g).

Delivery Vehicle Loading

When delivery vehicles are loaded for delivery, it will take place in Authentic Fairfield's loading area. As pursuant to 16 CCR § 5044(d)(1), the delivery area will be under 24-hour video surveillance. Cannabis goods will be loaded into the enclosed delivery vehicle by delivery employees, who will ensure that all cannabis goods are locked in a fully-enclosed box, container, or cage that is secured on the inside of the vehicle (but is not comprised of any part of the body of the vehicle) that is not visible to the public in accordance with 16 CCR § 5417(b). Authentic Fairfield's Pre-Dispatch Checklist will be used by delivery employees to ensure that all of the following items are in their possession and functioning properly prior to departure:

- | | | |
|-----------------------------|---------------------------------|----------------------------------|
| • Delivery Inventory Ledger | • Employee identification badge | • Inventory containers and locks |
| • Delivery Request Receipt | • Age verification device | • Vehicle operator's manual |
| • Delivery Stop Log | • Mobile telephone | • Spare tire and jack |
| • Copy of Business license | • GPS device | • GPS Tracking ¹ |
| • Copy of State license | • Sufficient fuel | |
| • Driver's license | • Alarm system | |

¹ In accordance with 16 CCR § 5417(d).

To facilitate identifying the geographic location of each delivery vehicle and creating a record of all travel, each delivery vehicle will be outfitted with a dedicated GPS device that will be owned by Authentic Fairfield and used only for delivery. Each GPS device will be permanently or temporarily affixed to the inside of a delivery vehicle, and devices will remain active throughout all deliveries to enable Authentic Fairfield to identify and document each vehicle's location at all times during the delivery process. Authentic Fairfield will maintain for at least 90 days a record of all of the locations traveled to by Delivery Employees during deliveries, and Authentic Fairfield will provide these records to the City and the Bureau of Cannabis Control immediately upon request.

Delivery Stop Log

In accordance with 16 CCR § 5418(f), a Delivery Stop Log will be maintained by Delivery Employees. This is a log of any stops from the time the delivery employee leaves the dispensary to the time he or she returns, including the reasons for each stop. After deliveries are completed, the Delivery Driver will provide the Log to management, who will ensure that the log is retained and available for inspection for at least seven years in compliance with 16 CCR § 5418(f). In accordance with 16 CCR § 5418(h)(3), Delivery Employees will provide the log to the City, the Bureau of Cannabis Control, or any law enforcement officer immediately upon request while out on deliveries.

Delivery Employee Communication

Communication between management and Delivery Employees will occur through the use of hands-free telephones. Before departing from the dispensary for a delivery, a Delivery Employee will place and receive a test call to management to confirm that the telephones are properly functioning. In addition to general communications, Delivery Employees will utilize the hands-free telephones to report all adverse delivery events to management, who will record all adverse events in a dedicated incident log.

Completing a Delivery

When a Delivery Employee arrives at a customer's delivery address, he or she will first attempt to contact the ordering customer by knocking on his or her door or ringing the doorbell. If the ordering customer does not respond after a reasonable time, the Delivery Employee will return to the delivery vehicle and will attempt to call the customer using the telephone number the customer provided with the order. If there is still no response within 10 minutes of the Delivery Employee's first attempt to contact the ordering customer, he or she will return to the dispensary with the customer's entire order. If there is a response, the Delivery Employee will ensure that he or she is communicating with the customer who placed the order by checking the customer's appropriate identification and will scan the identification with an age verification device to confirm that the identification is valid and that the customer is of legal age to purchase cannabis in compliance with 16 CCR § 5415(f). After the customer's identity and age have been verified, the Delivery Employee will process payment and will physically transfer the cannabis goods to the customer. The customer will then sign the Delivery Request Receipt provided by the Delivery Employee and will be provided with a copy of the receipt as required in 16 CCR § 5420(b). The Delivery Employee will also retain a copy of the signed Delivery Request Receipt to provide to management, who will maintain the receipt in accordance with Authentic Fairfield's record retention policy and applicable rules and regulations as stated in 16 CCR § 5420(b).

Number of Delivery Vehicles

Authentic Fairfield intends to utilize 6 vehicles, which will be electric or hybrid vehicles, to provide delivery services for its customers. Pursuant to FMC § 10E.26(c), prior to commencing delivery operations, Authentic Fairfield will provide the City with the proof of ownership of the vehicles, the year, make, model, license plate number and Vehicle Identification Number and proof of insurance for each vehicle.

Product Security during Transportation

Product security during transportation is a priority to Authentic Fairfield, as it reduces the likelihood of product diversion and underage access. As such, Authentic Fairfield will enforce the following policies, among others, to ensure that products remain secure throughout the delivery process in compliance with 16 CCR § 5418 (a-d):

- Delivery Employees will not carry cannabis goods worth more than REDACTED at any time.
- Only authorized employees will be allowed in the delivery vehicle during a cannabis goods delivery.
- While carrying cannabis goods for delivery, Delivery Employees will only travel in an enclosed delivery vehicle and will ensure the cannabis goods are not visible to the public.
- Delivery vehicles will not have any marking on the exterior of the vehicle that may indicate the presence of cannabis inside the vehicle.

REDACTED

2. LABOR AND LOCAL ENTERPRISE PLAN

Shryne Group has a “master agreement” with the United Food and Commercial Workers International Union (the “UFCW”) and our Fairfield store will therefore be a unionized store if the employees so desire. A letter of support from the local UFCW Local 5 is set forth below.



John Nunes
President

Jack Landes
Secretary - Treasurer

Main Office:
United Food & Commercial Workers Union, Local 5
28870 Mission Blvd.
Hayward, CA 94544
(510) 889-0870
Fax: (510) 889-6415
Toll Free: (877) 655-FIVE
www.ufcw5.org

240 South Market Street
San Jose, CA 95113-2382
(408) 998-0428
Fax: (408) 971-8355

208 Miller Avenue
So. San Francisco, CA 94080
(650) 871-5730
Fax: (650) 871-3590

4121 Alhambra Ave.
Martinez, CA 94553
(925) 228-8800
Fax: (925) 228-8355

1145 North Main St.
Salinas, CA 93906
(831) 757-3094
Fax: (831) 757-9115

323 Geary Street, Room 709
San Francisco, CA 94102
(415) 693-0143
Fax: (415) 693-9352

85 Galli Drive, Suite H
Novato, CA 94949
(415) 883-6833
Fax: (415) 883-1043

840 E Street, Suite 8
Eureka, CA 95501
(707) 442-1751
Fax: (707) 442-9572

September 21, 2020

City of Fairfield
Community Development Department
1000 Webster Street
Fairfield, CA 94533

Dear City of Fairfield,

On behalf of more than 30,000 members of the United Food and Commercial Workers (UFCW) Local 5, we wish to express our strong support for the Shryne Group/ Authentic Fairfield’s application for a cannabis retail permit with the City of Fairfield. We are highlighting our support for the Shryne Group because of the company’s commitment to the safety of its employees and customers, the highest standards of regulatory compliance, the professionalism and experience of the organization’s leaders and, most of all, the compassion and care it has shown for communities in which they operate.

The Shryne Group shares our vision of empowering and protecting employees and sharing in the success of its business with its employees. They have executed Collective Bargaining Agreements for stores in Northern California and are committed to providing stable unionized jobs with wages and benefits significantly above the industry average in Fairfield. They are also one of the few cannabis companies with an employer funded pension plan, which the UFCW helps to administrate.

UFCW’s partnership with the Shryne Group raises standards for cannabis workers across California, and we are proud to represent the workers at the forefront of the legal cannabis industry. Shryne Group will be a tremendous asset to the employees, customers and other stakeholders of Fairfield by prioritizing compassion, education, safety and contributions to the City of Fairfield. We strongly encourage the City of Fairfield to select the Shryne Group.

Thank you for your time and consideration.

Regards,



Jim Araby
UFCW 5, Director of Strategic Campaigns
(c) (510-599-0488,(e) jaraby@ufcw5.org



2.1. Living Wages

Authentic Fairfield is committed to paying a living wage. Authentic Fairfield's minimum base pay is \$17.50 per hour for our most junior employees and goes all the way up to \$26.50 an hour for more senior employees. The compensation floor is \$5.50 per hour more than the minimum wage in Fairfield of \$12.00 per hour and more than the \$13.68 living wage of Fairfield according to M.I.T.'s living wage calculator.¹⁰

The General Manager and Co-Managers will be salaried and will receive \$50,000 - \$70,000 per year.

As the cost of living and the minimum wages increase, Authentic Fairfield is committed to increasing its minimum wage to match these costs of living increases so that all employees receive living wages.

2.2. Employee Benefits

In addition to living wages, Authentic Fairfield will offer a comprehensive benefits package which is one of the best in the industry.

Insurance Benefits. Authentic Fairfield will offer Medical, Dental, and Vision Insurance benefits to its retail employees through Anthem. Employees can choose from the Gold, Silver, Bronze PPO Plans or the HMO Plan. The company will cover 70% of all insurance premiums of its employees.

Holidays. Full-Time Employees receive 10 paid-holidays per year and receive double wages if they work on such holidays.

Paid Time Off. Employees will receive 72 hours of paid time off per year.

Sick/ Personal Leave. Employees receive 6 work days (48 hours) of paid sick leave per year.

Maternity/Paternity Leave. Authentic Fairfield provides up to six (6) weeks of maternity and paternity leave.

Retirement Benefits. Under our parent entity Shryne Group's agreement with the UFCW, all Authentic Fairfield employees will benefit from an employer funded pension plan. Shryne Group is one of the only cannabis companies in the state to offer an employer funded pension plan.

Jury Duty. For time served on jury duty, Authentic Fairfield will pay employees the difference between his or her salary and any amount paid by the government, unless prohibited by law, up to a maximum of ten days. If an employee is required to serve more than ten days of jury duty, Authentic Fairfield will provide the employee with unpaid leave.

Election Day Poll Workers. Authentic Fairfield will pay employees the difference between his or her salary and any amount paid by the government or any other source unless prohibited by law for serving as an Election Day worker at the polls on official election days (not to exceed two elections in one given calendar year). While performing their official nonpartisan duties at the polls, Election Day workers may not engage in political activity or campaign for or against any candidate or ballot measure.

¹⁰ <https://livingwage.mit.edu/counties/06095>

Voting. Employees receive 3 hours of paid time off to vote.

Volunteer. Authentic Fairfield provides its employees 24 hours paid time off per year to volunteer. Employees may carry over unused Volunteer time but may not accrue more than 24 hours in any single year period.

2.3. Compensation, Continuing Education and Training

Compensation

Authentic Fairfield's employees will be paid as follows:

General Manager	\$60,000-\$70,000
Co-Manager	\$50,000-\$60,000
Retail and Operations Associates	\$17.50 - \$26.50 per hour
Customer Check-in Associates	\$17.50 - \$18.50 per hour

Employees will be eligible for pay increases every 6 months. The pay scales above will also be increased as the cost of living increases.

CONTINUING EDUCATION

Authentic Fairfield and Shryne Group are committed to working with employees to develop each individual's talents, skills and abilities. As detailed below, Authentic Fairfield will provide its employees with a world class cannabis education. In addition, through the Shryne Group, Authentic Fairfield will provide training and continuing education beyond cannabis. The aim of this program is to provide employees with a foundation to thrive at Authentic Fairfield and in their future endeavors.

Solano College

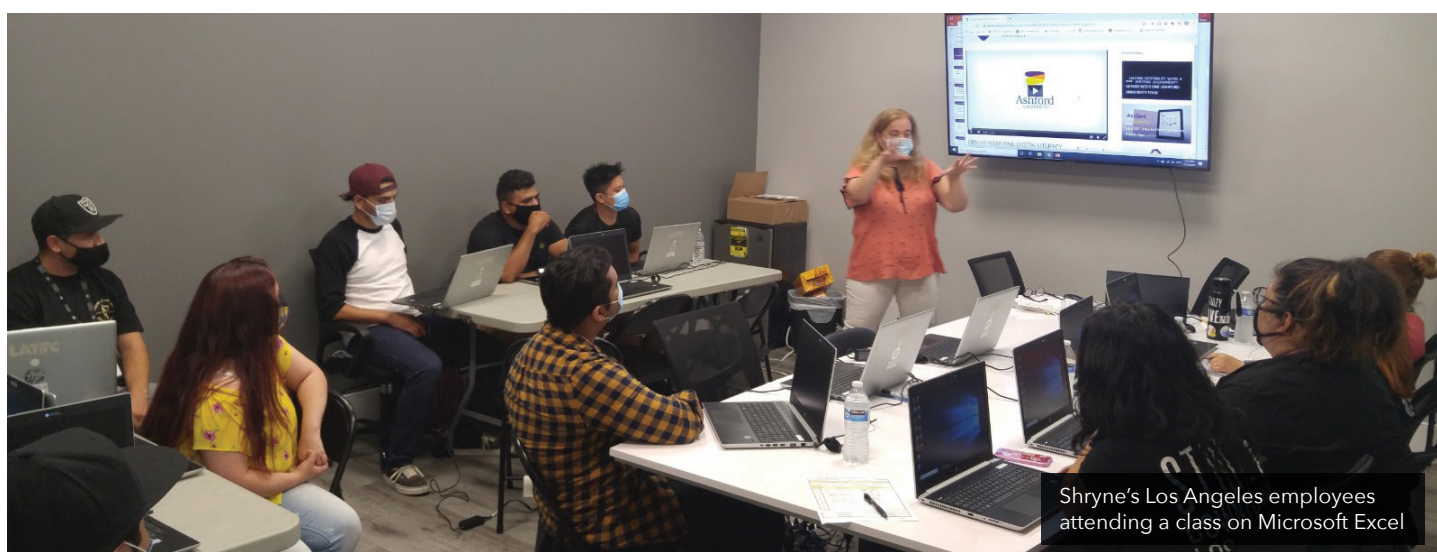
We have also agreed with Solano College to grant up to 3 scholarships for employees or citizens of Fairfield to attend Solano College. The scholarships will pay for at least 2 years of coursework and will also involve mentoring from certain executives of Shryne Group. For those interested in the cannabis business, the mentoring program will involve paid participation in Shryne's own retail, manufacturing and cultivation training programs and an opportunity to become a part-time employee at those operations. This companywide scholarship and mentor program kicked off in December 2019 and 3 Los Angeles residents are currently taking courses towards a Retail Management Certificate of Achievement at LA Trade Tech College. These scholarship recipients are also working part time at our cultivation and manufacturing facilities in Los Angeles to learn about the cannabis business. Authentic Fairfield hopes to replicate this program's success in Fairfield.

Workforce Development

In addition to providing competitive wages and the most comprehensive benefits in the industry, Authentic Fairfield will provide workforce development for its Fairfield employees. Shryne's goal is to develop well-trained, skilled workers. Shryne and Los Angeles Trade Tech College have an agreement for instructors from Los Angeles Trade Tech College to teach classes at all of Shryne's retail, manufacturing, distribution and cultivation facilities in California. The classes will be held every two to three weeks at the Fairfield store and will be free of charge to the employees. Classes include:

- Microsoft Word
- Microsoft Excel
- Creating PowerPoint Presentations
- Accounting
- Supply Chain Logistics

Classes are 2-3 hours long and upon completion, the employees will receive a certificate of completion from Los Angeles Trade Tech College and will receive career development counseling throughout the process. This workforce development program aligns with our mission to include all stakeholders in the success of our business and in the improvement of the communities in which we operate.



Shryne's Los Angeles employees attending a class on Microsoft Excel

Employee Training

Authentic Fairfield's employment practices begin with hiring diverse, quality staff. In that regard, Authentic Fairfield will hold a local job fair at its store prior to opening to attract local residents to apply in conjunction with the UFCW. A background check will be conducted on every potential employee Authentic Fairfield is considering hiring. Once hired, every retail employee, will undergo [REDACTED] paid days of training prior to working at the store to ensure that employees are knowledgeable, friendly, and professional. The [REDACTED] days are broken up as follows:

REDACTED

REDACTED

Additionally, each new retail employee who has completed the [REDACTED] training program will initially be paired with a more experienced retail employee behind the retail counter for the first 30-days of their employment. The manager and the other retail employees are tasked with supervising the new employee during the first 30-day period to ensure compliance with all laws, regulations and store SOPs.

Given the ever-changing nature of the cannabis industry, our training program also emphasizes continuous improvement, and the Fairfield retail team will be updated and retrained on a continual basis as state and local laws and rules change. Managers are required to provide monthly reviews of each retail employee for the first 90 days of employment so that any deficiencies can be addressed and remediated immediately.

Additionally, the General Manager will hold monthly store meetings to touch on the following:

- Customer feedback and areas for improvement
- New product launches
- Recognition of instances of exceptional customer service
- Changes in laws or regulations
- Concerns or questions from retail employees.

This extensive and proprietary training program will allow Authentic Fairfield to instill our employees with the values of our founders which Shryne was built upon. Our retail employees are our ambassadors to our customers and the communities in which we operate and we take great pride in ensuring that our pillars of safety, inclusion, and education of the public are portrayed by our employees.

Customers at our retail stores frequently comment that one of the reasons they come back to our stores is the level of knowledge and professionalism of our employees. As a reflection of our highly trained employees, we were proud to learn that one of our Los Angeles store employees, Valerie Davalos, was recently named one of the top 25 cannabis retail employees in the United States by Green Entrepreneur¹¹. Valerie was recognized for her expert knowledge in all of the products we offer and her ability to educate customers on safe and effective use and dosage. Shryne is extremely proud of Valerie and the other 400 employees who have completed our rigorous training program and strive to provide the best customer service at all our stores.

GANJAPRENEUR

The Top 25 Budtenders of 2019

They're the influencers, the gatekeepers, the curators, and the tastemakers. They're bu the biz.



Add to Queue

Valerie Davalos



AKA The Alternative Seeker

Location: STIIIZY DTLA, Los Angeles

Origin story: [REDACTED] Davalos went [REDACTED] [REDACTED] [REDACTED]

Badge of honor: She found it.

She says [REDACTED] and I wanted to find an alternative. When I began learning about cannabis, I became a believer and decided to work in this industry."

A customer says: "My husband and I had been purchasing counterfeit [vape] pods. Now we are purchasing safer products, and it's all because of Valerie. She takes the time to help us find the right product." -- Abigail Del Rio Nario, Carson City, Nev.

11 <https://www.greenentrepreneur.com/slideshow/343079>

2.4. Local Ownership and Management

Co-Owner and CEO Brian Mitchell and Co-Owner and Chief Medical Officer Dr. Albert Mitchell have lived in Fairfield since 1989 and Dr. Albert Mitchell operates his own neurology practice at 1261 Travis Blvd., Suite 170, Fairfield, CA 94533. Brian will oversee the day to day activities of Authentic Fairfield and will also hire a local resident of Fairfield as the General Manager to ensure that the business is truly a local business. As we have done at all are other stores, we will also host a job fair 4-6 weeks prior to our grand opening and target local residents to apply for jobs with Authentic Fairfield. We will host the event with our union partner, the UFCW, and our goal will be to hire at least 70% of our staff from within the City of Fairfield. Brian and Dr. Mitchell have deep ties in the Fairfield community and are confident that they will be able to hire local, quality employees at Authentic Fairfield.

See below proof of residency in Fairfield for Brian and Dr. Mitchell.

Brian Mitchell
2020



Solano Irrigation District
810 Vaca Valley Parkway, Suite 201
Vacaville, CA 95688

Return Service Requested

Brian Mitchell & Kelly Dewitt

REDACTED

CUSTOMER # REDACTED	SERVICE ADDRESS REDACTED
ACCOUNT # REDACTED	SERVICE PERIOD 07/01/2020 to 08/31/2020
BILL # REDACTED	DUE DATE Due Upon Receipt
AMOUNT ENCLOSED \$	TOTAL DUE ACH - AUTO PAY Do not send payment

PLEASE MAKE CHECKS PAYABLE TO: SOLANO IRRIGATION DISTRICT
Solano Irrigation District
810 Vaca Valley Parkway, Suite 201
Vacaville, CA 95688

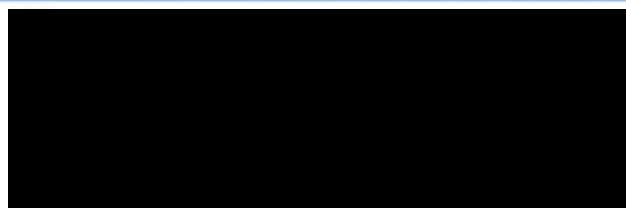
DETACH AND RETURN THIS REMITTANCE PORTION OF THE BILL WITH YOUR PAYMENT

INVOICE

ACCOUNT NUMBER REDACTED	SERVICE ADDRESS REDACTED	SERVICE AREA Green Valley NPWS - Lift	SERVICE PERIOD 07/01/2020 to 08/31/2020
BILL # REDACTED	BILL DATE 9/2/2020	DUE DATE Due Upon Receipt	LATE AS OF 9/30/2020
DESCRIPTION REDACTED	RATE	PRIOR READ	CURRENT READ
USAGE	TOTAL	REDACTED	

IMPORTANT MESSAGES

WATER USAGE in CCF



Sep Oct Nov Dec Jan Feb Mar Apr May Jun Aug

□ Prior Usage ■ Current Usage

SUMMARY OF CHARGES

REDACTED

ACH - AUTO PAY
Do not send payment

Solano Irrigation District
810 Vaca Valley Parkway, Suite 201
Vacaville, CA 95688

For more information
visit our website at:
www.sidwater.org

BILLING AND SERVICE INQUIRIES: (707) 448-6847

OFFICE HOURS: MON-FRI 8:00 AM - 4:30 PM

FINANCE CHARGE OF 1.5% (18% APR) WILL BE APPLIED IF NOT PAID BY DUE DATE
We now offer ACH - AUTOPAY. Please visit our website, or give us a call for details.

And Beyond

RECORDING REQUESTED BY:
Fidelity National Title Company
Order No.: FSJP-1011300371

When Recorded Mail Document To:
Brian Mitchell, a single man
1617 Amaral Ct.
Fairfield, CA 94534

Recorded in Official Records, Solano County

Marc C. Tonnesen
Assessor/Recorder

6/04/2013
8:00 AM
AR16
06

02 Fidelity Title Co

Doc#: 201300055582

Titles: 1 Pages: 3



Fees
Taxes
Other
PAID

REDACTED

APN/Parcel ID(s): 148-070-080

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned grantor(s) declare(s)

- ☐ This transfer is exempt from the documentary transfer tax.
☒ The documentary transfer tax is \$817.30 and is computed on:
 ☒ the full value of the interest or property conveyed.
 ☐ the full value less the liens or encumbrances remaining thereon at the time of sale.
The property is located in ☒ the City of Fairfield.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Michael V. McGowan, as surviving joint tenant

hereby GRANT(S) to Brian Mitchell, a single man,

the following described real property in the City of Fairfield, County of Solano, State of California:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Dated: May 30, 2013

IN WITNESS WHEREOF, the undersigned have executed this document on the date(s) set forth below.

Michael V. McGowan

MAIL TAX STATEMENTS AS DIRECTED ABOVE

Grant Deed
SCA0000129.doc / Updated: 10.23.12

Printed: 05.30.13 @ 02:22PM
CA-FT-FSJP-01500.081101-FSJP-1011300371

GRANT DEED

(continued)

APN/Parcel ID(s): 148-070-080

State of CACounty of SOLANOOn 6-3-2013 before me, B. Eddy, Notary Public, personally appeared
Michael V. McGowan

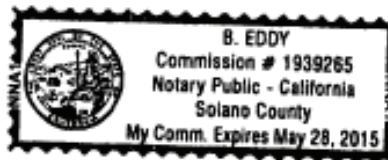
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of CA that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Signature

(Seal)



Dr. Albert Mitchell
2020

 ENERGY STATEMENT www.pge.com/MyEnergy		Account No: REDACTED Statement Date: 09/10/2020 Due Date: 10/01/2020
Service For: ALBERT M MITCHELL REDACTED	Your Account Summary Amount Due on Previous Statement Payment(s) Received Since Last Statement Previous Unpaid Balance Current Electric Charges Current Gas Charges Total Amount Due by 10/01/2020	
Questions about your bill? Monday-Friday 7 a.m.-9 p.m. Saturday 8 a.m.-6 p.m. Phone: 1-800-743-5000 www.pge.com/MyEnergy		
Ways To Pay www.pge.com/waystopay		
Important Messages PG&E recognizes you may have been impacted by the recent wildfires. We are here to support you by being flexible with payment plans. For assistance, please contact us at 1-800-PGE-5000 or residential customers can go online at www.pge.com . <div style="text-align: right;">Continued on page 5</div>		
Please return this portion with your payment. No staples or paper clips. Do not fold. Thank you.		
REDACTED		
	Account Number: REDACTED Due Date: REDACTED Total Amount Due: REDACTED	Amount Enclosed: \$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
ALBERT M MITCHELL REDACTED		PG&E BOX 997300 SACRAMENTO, CA 95899-7300
		Page 1 of 5

And Beyond

verizon✓

PO BOX 4005
ACWORTH, GA 30101-9006

Billing period Mar 20, 2018 - Apr 19, 2018
Account number REDACTED
Invoice number REDACTED

0007314 02 MB 0.421 **AUTO T6 0 4019 94534-797516 -C12-P07321-11

YVONNE MITCHELL
ALBERT MITCHELL
YVONNE MITCHELL

See last page for payment options and how to split your bill.
Questions? Visit vzw.com/contactus

Hi Albert, here's your bill for this month.

One-time charges and credits page 3 REDACTED

The new Verizon Plan Medium 4 GB

REDACTED page 5
REDACTED page 5
REDACTED page 6

Surcharges
Taxes and government fees

Due May 11

2.5. Staffing Plan

Shryne Group robustly staffs all of its retail stores and we anticipate hiring between 40 – 50 employees for this large location. Our aim is to provide an unparalleled shopping experience. This means providing ample opportunity for customer education. It also means having short wait times for shoppers. Our staffing plan promotes both for the customer.

Each retail counter will have 2 to 3 retail employees to process customer orders depending on time of day for a total of 8 to 12 sales associates in the store at any given time. The check-in lobby will have 2-3 check-in associates at any given time. One General Manager will supervise the entire operation and 4 co-managers will assist the GM in supervising all of the operations at the store. 6-8 operations associates will support sales floor operations. They will refill inventory and accept inventory deliveries, accept delivery orders and prepare delivery packages for the delivery drivers, properly dispose of garbage and provide other operational support.

Based on the proposed store size and customer volume, Authentic Fairfield intends to hire the following positions for the first year of operations. Some of the following roles overlap with the same employee.

General Manager	1	Developing, executing, and evaluating short- and long-term strategies; Acting as the face of the company along with senior management of Shryne Group, i.e., communicating with the public, government entities, and stakeholders on behalf of Authentic Fairfield; Creating and implementing Authentic Fairfield's vision, mission, culture, and values.
Retail Co-Managers	3	Overseeing day-to-day administration, operations, resources, and employees; Overseeing an infrastructure that aligns with Authentic Fairfield's vision, mission, cultures, and values and surpasses company goals; Evaluating organization performance; Building relationships with customers and vendors; Handling internal affairs.
Inventory Co-Manager	1	Ensuring inventory is accurately reflected in the statewide electronic cannabis inventory verification system; Assisting the Agents-in-Charge in inventory management responsibilities.
Chief Medical Officer	1	Creating educational materials for customers and employees on the different medicinal uses of cannabis. Procuring products effective for medical conditions such as cancer, anxiety, joint and muscle pain, insomnia, etc. Advising the store on science of cannabis and results of new scientific studies.
Chief Security Officer	1	Developing and implementing standardized procedures to ensure Authentic Fairfield's facility remains safe and secure; Monitoring security personnel and security systems (e.g., video surveillance system, alarm system); Training Authentic Fairfield's personnel on security and emergency preparedness policies and procedures; Serving as point-of-contact for Authentic Fairfield's contracted security company and personnel.
Community Benefits Director	1	Serving as Authentic Fairfield's 24-hour Community Liaison; Interfacing with the community on issues and concerns they may have about our operations. Building relationships with the residents, city officials and our non-profit partners in Fairfield.
Sales Associates	18-22	Assisting customers with product selection; Performing quality checks prior to releasing products to customers; Offering customer service, including customer education and complaints handling; Operating the point-of-sale system to process sales and record customer info; Maintaining and monitoring the retail sales floor.

Operations Associates	4-8	Receiving deliveries from distribution vehicles; Updating all inventory whenever received, moved, returned or sold and ensuring integration with METRC; Preparing packages for delivery customers for delivery drivers; Assisting delivery drivers during their deliveries.
Delivery Drivers	5-7	Delivering customer orders to customers; Checking customer IDs when making deliveries; Ensuring all proper manifests and delivery logs are kept and maintained in the delivery vehicle; Checking delivery vehicle for adequate electricity.
Check In Associates	5-6	Performing clerical duties; Verifying customer age and identity; Maintaining Authentic Fairfield's Visitor Log; Registering new customers into point of sale system.
Security Guards ¹²	10	Greeting visitors and agents to assure them that Authentic Fairfield is taking all necessary safety precautions; Ensuring security systems (e.g., video surveillance system, alarm system) remain operational; Monitoring and patrolling Authentic Fairfield's premises to identify and respond to security risks 24 hours per day.

Authentic Fairfield forecasts its revenue increasing 15% in the first year and 10% in years 2 through 5 and additional sales, operations and check in staff will be hired in proportion to our revenue growth. As noted previously, all of our full time and part time employees will enjoy the protections of the Collective Bargaining Agreement with the UFCW, subsidized health and dental insurance, and sick leave and paid time off.

3. NEIGHBORHOOD COMPATIBILITY PLAN

3.1. Complaint Management Related to Noise, Light, Odor, Litter and Traffic

Co-Owner and CEO Brian Mitchell and Co-Owner and Chief Medical Officer Albert Mitchell have deep ties to Fairfield from living in Fairfield since 1989 and they will take every measure to ensure that their business does not negatively affect their beloved neighborhood. As a first step to building a relationship with our neighbors, Authentic Fairfield will host an open house approximately 4 weeks prior to opening to introduce itself to the community and to listen to any concerns from the neighboring residents and businesses. At this open house, we will introduce Brian, Dr. Mitchell and our Community Benefits Director Jose Pecho and provide their contact information so that the neighbors can contact us with any questions or concerns. Jose's contact information will also be posted on the front door of the facility so that the community has a point of contact to address any concerns.

Additionally, as explained in more detail below, Authentic Fairfield will implement proactive measures to manage noise, light, odor, litter and traffic.

Noise

Authentic Fairfield will proactively manage noise at its premises. Authentic Fairfield will ensure that sound is not detectable outside its premises. In accordance with FMC § 25.1403 (Fairfield's noise ordinance), Authentic Fairfield's operations will not exceed 65 decibels when measured outside. Authentic Fairfield has adopted the following techniques to reduce sound. First, Authentic Fairfield will not utilize exterior speakers to broadcast music or to make announcements. Second, Authentic Fairfield will not play music inside in excess of 50 decibels at any time. Third, windows and doors will not be left open during operating hours. Fourth, Authentic Fairfield will build out its stores

¹² Security guards will be a third party contractor's employees and not direct employees of Authentic Fairfield.

with physical soundproofing as a courtesy to neighbors. Fifth, Authentic Fairfield will not host events at its location that result in large crowds gathering. Finally, security will patrol to verify noise is not detectable outside the premises.

Also, the proposed location only has two neighbors within 100 feet of our store. These two businesses are separated by a large parking lot to the west of our building. Due to the fact that we do not have any immediate neighbors and our measures to minimize noise, we do not foresee causing any inconveniences due to noise from our facility.

Light

Authentic Fairfield will incorporate light into all aspects of its operation to provide literal transparency to its business, allowing customers and staff to see clearly exactly what goes on in and around the sales area. A well-lit space is also vital for customer security. At the same time, light can bother neighbors, especially at night. Authentic Fairfield has taken great care to utilize lighting that will facilitate safety without imposing such a burden.

Authentic Fairfield will ensure its lighting is not excessive, obtrusive, or misdirected. Authentic Fairfield will proactively manage light in the following ways. First, Authentic Fairfield will not illuminate its interior premises when it is closed for business. Lighting necessary for security operations will be the only exception. Second, Authentic Fairfield will utilize shielded lighting on the exterior of its premises. Shielded lighting will ensure that light only travels downward on the premises, not upward and outward towards neighbors. In addition, the outdoor lighting's intensity will be only what is reasonably necessary for security purposes.

These light-control measures and the fact that we do not have any immediate neighbors within 100 feet will ensure that light from Authentic Fairfield's premises does not intrude onto its neighbors' properties.

Odor

Authentic Fairfield will utilize one of the most comprehensive odor control programs in the industry, which is more fully described in Section 3.3. For example, Authentic Fairfield will install carbon filters on its premises to purify the air and employees will regularly monitor the lifespan of and replace carbon filters as necessary to ensure the system is working properly. Authentic Fairfield will also utilize a negative air pressure system so that air is only disbursed out of the building after it has been cleaned by our carbon filtration system. Moreover, Authentic Fairfield will retain an environmental engineer to maintain its carbon filter system. In addition, Authentic Fairfield will only accept and sell pre-packaged cannabis goods. It will neither package cannabis goods on-site nor allow any consumption of cannabis goods on-site. The lack of raw packaging and consumption will substantially reduce odor-causing activities. Security will monitor exterior odors while on patrol and employees will document any instances of odor or odor complaints with the Odor Documentation Form described in Section 3.3. Any neighbor complaints or instances of odor detected by security or employees will be immediately documented and remediated within 24 hours. If the odor cannot be remediated internally, engineers will be engaged within 24 hours to remediate the issue.

In short, Authentic Fairfield's state of the art odor control system, its proactive protocols which requires employees to be vigilant about detecting odor and our commitment to remediate any odor will ensure that odor does not negatively affect the neighborhood. The location over 100 feet away from any neighbors should also ensure that odor is not detected. To date, Shryne Group has not received a single complaint regarding odor associated with its stores.

Litter

As part of our daily store opening standard operating procedures, operations and retail employees will be tasked with sweeping the exterior prior to the opening of the store. Employees will also conduct cleanup of the exterior throughout the day and are trained to be on the lookout for any litter in the exterior. During the shift change, typically at 2pm, incoming and outgoing employees are required to ensure that there is no litter in the exterior of the facility. Any litter spotted by any of the employees will either be swept or picked up by the employees and disposed of.

Vehicle Traffic

To proactively manage traffic, Authentic Fairfield has selected a location with 101 parking spots and away from residences. The fact that the store has 101 dedicated parking spaces and is in the middle of businesses such as automotive stores which do not have a large number of visitors should minimize any increase in traffic from the popularity of our store.

Additionally, the property has two points of ingress and egress from Martin Road. Thus, any dispensary-related increase in traffic will be negligible in comparison to the overall traffic flow. Second, the abundant parking means that customers will have ample access to parking and will not need to park on any of the streets nearby.

If parking becomes problematic (which is very unlikely), Authentic Fairfield will work to engage parking attendants as it has at its Downtown Los Angeles store. This will ensure order and efficiency in the parking lot and reduce the chance of congestion or overfill from the parking lot. Finally, Authentic Fairfield may offer discounts to customers during non-peak hours and discounts to customers who pre-order their products for pickup. This will encourage customers to access the store when it is less busy.

Pedestrian Traffic

Martin Road does not have heavy pedestrian traffic due to the types of establishments in the area (car dealerships and sign shops as opposed to restaurants and cafes). However, the location is next to a wide sidewalk which should prevent pedestrian traffic congestion even when the store is extremely busy. The sidewalks also ensure safe and orderly pedestrian access to the property.

In order to ensure pedestrians and customers do not become a nuisance to neighbors, customers will not be permitted to loiter around the store. Authentic Fairfield's security team will monitor pedestrian activities at the location and will conduct perimeter walks around the vicinity of our location to ensure there is no loitering, illegal activity or consumption of cannabis products near our store. Any lines that form due to the store's popularity will be formed in the 3 parking lots which surround the store to ensure that lines also do not impede other pedestrians from using the sidewalk. Due to the 3 large parking lots which are dedicated to our location and our proactive measures against loitering, we do not foresee having any negative effect on pedestrian traffic.

Responding to Complaints

Authentic Fairfield takes complaints seriously. While we plan to take every measure to prevent any sources of complaints, if there are ever any complaints against Authentic Fairfield, we will promptly and proactively resolve the matter. Authentic Fairfield has adopted a comprehensive complaint resolution procedure. Authentic Fairfield's

complaint-resolution procedure will be as follows: (i) receive and record the complaint; (ii) investigate the complaint; (iii) record the result of the investigation and any resulting actions; (iv) follow up with and respond to the individual who made the complaint; and (v) use the information to improve existing procedures. Shryne has incorporated this model across all its locations with great success.

Receiving the Complaint

Authentic Fairfield will provide multiple channels for receiving complaints, including a telephone number, a Community Liaison (Jose Pecho), an email address, physical mail, personal visits, and social media platforms. Such contact information will be posted on the front door of the facility so that people can easily contact us with any issues. Authentic Fairfield will train employees in active listening. Employees will respond to complaints in a professional and compassionate demeanor. They will communicate to the person registering the complaint that Authentic Fairfield takes all complaints seriously. As soon as Authentic Fairfield receives a complaint, it will promptly enter the complaint into the complaint log which is maintained for at least 7 years and also emailed to the General Manager and Co-Managers. An investigation will also commence immediately.

Investigating the Complaint

The General Manager will be responsible for investigating all complaints. If the General Manager is unavailable, a Co-Manager will be equipped to obtain the appropriate information. Authentic Fairfield will investigate complaints in a systematic fashion. Authentic Fairfield has developed complaint investigation worksheets for investigating complaints. Specific complaint investigation forms include noise, light, odor, litter, and traffic and require the General Manager or Co-Manager to request and record the following information during the complaint intake:

Noise	Light	Odor	Littering	Traffic
Details include: Date, type, and intensity of the noise; where the complainant was located when they heard the noise; where on the premises the complainant believed the noise was coming from.	Details include: Time the light was observed; which fixture produced the nuisance light; where the complainant was located when the light was observed.	Details include: Time, defining characteristics, intensity, and frequency of the perceived odor event. Shryne will also record the direction of the wind, if relevant, at the time of the complaint.	Details include: Date, location and type of litter discovered.	Details include: Date and location of the traffic/parking issue; direction traffic was moving; nature of the traffic complaint (speeding, not observing stop signs, illegal parking, pedestrians crossing unsafely, pedestrians blocking sidewalk).

After receiving the basic information, the General Manager will investigate at the premises as soon as possible. The most important tools for investigating nuisance complaints involving light, litter, odor, noise, or traffic are the General Manager's eyes, nose, and ears and listening very closely to the complainant. The General Manager will record their own perception of the intensity and character of the noise, light, odor, litter, or traffic. The General Manager will also interview relevant employees about their perceptions. If necessary, the General Manager will review security footage relating to the incident to gather more information. While each complaint will require different investigation methods, the below methods are generally required to be followed during the investigation and corrective measures phase:

Noise	Light	Odor	Litter	Traffic
The General Manager will verify that noise levels are below 65 decibels; noise from the premises cannot be heard outside; doors and windows remain closed; and crowds are not loitering outside the dispensary premises.	The General Manager will investigate light sources to ensure bulbs are the proper wattage; verify light shields are facing downward and working properly; and follow up with property management if the complaint relates to lights maintained by the property owner.	The General Manager will investigate whether carbon filters are working properly and need to be changed; verify all windows and doors are appropriately sealed and maintenance logs are up to date; inspect the HVAC system to ensure it is expelling air correctly; and, if necessary, call an environmental engineer for support.	The General Manager will investigate how long the litter had been allowed to stay on the property and why an employee did not discover and remove the litter.	The General Manager will check the parking lot for the existence of the specific complaint; verify all signage in the parking lot is in working order; and check security cameras of the parking lot to verify any traffic-related complaints.

Once the cause of the complaint is identified, Authentic Fairfield will take immediate action to rectify the situation and halt the condition relating to the complaint.

Recording the Results

The General Manager will document the conclusion of their investigation and recommendations of corrective actions. In addition, Authentic Fairfield will record any corrective action taken in response to the complaint in its complaint log. Authentic Fairfield will maintain a file of all complaints and outcomes in the course of its recordkeeping. The documentation will be clear enough that anybody reviewing the records can determine that a clear, well-reasoned, and diligent effort to resolve the complaint was undertaken. Records relating to complaints will be maintained for at least seven years.

Following Up with Complainant

The General Manager will notify the complainant of the outcome of the investigation. If the complaint cannot be corroborated, the General Manager will notify the complainant the complaint was investigated and that no definite source was found. The General Manager will encourage the complainant to notify Authentic Fairfield in the future if they observe unacceptable light, noise, odor, litter or traffic. The General Manager will also emphasize that notification should be made as soon as possible to enable Authentic Fairfield to investigate and resolve the problem. At no point will any employee of Authentic Fairfield downplay or trivialize the complaint even if the source of the complaint cannot be verified. Every employee will be taught during its training course to be empathetic to every person making a complaint and to take every complaint very seriously.

Taking Corrective Action

If a complaint is substantiated, Shryne will implement a corrective action plan to ensure the conduct does not occur again. Corrective action may include, but is not limited to, revising policies and procedures, fixing lighting, HVAC or other equipment, training and retraining staff, and utilizing third-party experts.

3.2. Nuisance Management

Outreach and Feedback

Authentic Fairfield's neighborhood compatibility starts with neighborhood outreach. As mentioned above, Authentic Fairfield will host an open house and job fair prior to its opening to provide the community the chance to express any concern they have about our business and its impact on the surrounding community. We will hand out educational materials about our company and stress our commitment to being a thoughtful and giving member of the community.



To mitigate nuisances on an ongoing basis, Authentic Fairfield will provide multiple channels for giving feedback. Authentic Fairfield will maintain a Community Liaison (Jose Pecho), a telephone number, on-site customer service employees, social media platforms, and a website for receiving community feedback. All of this information will be posted on the front door entrance. Authentic Fairfield's aim is to make neighbors feel comfortable enough to approach us with any feedback or concerns. Authentic Fairfield will expeditiously attend to complaints as detailed in its complaint procedure. Authentic Fairfield's intention is to avoid, address, and resolve complaints without any city intervention.

Authentic Fairfield will also mitigate nuisances through its relationship with police. Prior to our opening, the Fairfield Police will be invited to tour the facility and provide any feedback on our security systems. We will maintain open lines of communication with law enforcement and city officials. Authentic Fairfield hopes to earn the city's trust that it will properly respond to neighborhood concerns so that complaints do not escalate into investigations.

As we have at our other locations, Authentic Fairfield will proactively cooperate with the Fairfield Police if they are investigating a crime which occurred near our facility which we may have video recordings or other pertinent information about. Authentic Fairfield will provide all video footage as requested by the Fairfield Police regardless of whether the incident directly involves Authentic Fairfield or its customers or employees.

Finally, Authentic Fairfield will continue to participate in local stakeholder meetings to address community concerns which will be led by our local owners Brian Mitchell and Dr. Albert Mitchell. Authentic Fairfield will hold quarterly meetings to receive stakeholder feedback. Stakeholders will include residential neighbors, neighboring businesses, law enforcement, city officials, non-profits, addiction treatment professionals, religious institutions, and other interested

parties. The stakeholder meetings will present opportunities for collaboration and to adjust operations to meet community expectations.

Good Neighbor Policy

See below, a DRAFT Authentic Fairfield Good Neighbor Policy which will be posted at our store and be available to our customers. This is a working draft that is being developed through the input we have received during our other open houses and our past experiences at our retail locations. As we continue to hold more open houses and have discussions with the community, this Good Neighbor Policy will be further revised to reflect continuous feedback from the community.

Residents living and working in the neighborhood have the right to enjoy a reasonable level of peace and quiet and our Good Neighbor Policy and complaint response procedures outlined above evidence our commitment to this belief.

Our Good Neighbor Policy will dictate how customers should act on and around the premises. Displaying a courteous and respectful attitude always makes for better neighbor relations and a more positive experience for all community members. Disorderly conduct, public consumption of cannabis, rowdiness, loud music, or loitering is not consistent with our values. Those customers found in violation will not be permitted to return to the dispensary. Our security and management will make sure customers adhere to the Good Neighbor Policy. We will respond to complaints from neighbors when behavior occurs around the premises that is inconsistent with Good Neighbor Policy.



SHRYNE GROUP INC.

Good Neighbor Policy

1. Appoint a Community Outreach Director, whose name and phone number will be posted at the entryway of the facility and mailed or hand-delivered to businesses within a two-block radius.
2. No loud music played at the store (no noise over 65 decibel shall be detectable outside).
3. Ensure that all cannabis goods sold by Authentic Fairfield are produced and transported by State licensed facilities in full conformance with the State and local regulations.
4. No sale of alcoholic beverages or tobacco at the Facility.
5. Prohibit the smoking, vaporization, ingestion, or consumption of alcohol, tobacco, or cannabis in any form at or within Facility. No employee shall be under the influence of alcohol or drugs.
6. Provide outside lighting in a manner that illuminates the outside street and sidewalk areas and adjacent parking as appropriate, in accordance with Fairfield regulations.
7. Provide adequate and appropriate ventilation to prevent any significant noxious or offensive odors from escaping the premises.
8. Patrol the surrounding area to identify and immediately address any problems, including, but not limited to, noise, odor, cannabis consumption, and litter as well as maintain the premises, adjacent sidewalk and/or alley in a good, clean condition at all times. Any and all graffiti will be identified and promptly removed from the property and parking lots.
9. Prohibit patrons from double-parking around the premises.
10. Prohibit loitering in or around the premises.
11. Prohibit littering in or around the premises.
12. Prohibit the consumption of cannabis products in and around the premises.
13. Post notices on the premises that:
 - a. Direct patrons to leave the establishment and neighborhood in a peaceful and orderly fashion.
 - b. Direct patrons to not litter or block driveways.
 - c. Advise individuals of the prohibition on loitering.
 - d. Advise individuals that smoking of cannabis is prohibited in public places.
14. Ensure notices are clear, well-lit, prominently displayed and maintained at all public entrances to and exits from the establishment.
15. Secure the premises within 50 feet of any public entrance and exit.
16. Ensure the Facility shall be continuously maintained in a safe, clean, and orderly condition with twice daily litter pick-up within 100 feet of the premises. Such litter pick-up shall include inspections for graffiti, which shall be removed within 24 hours of detection.

Premises Management

Authentic Fairfield will institute major renovations to our proposed location's facade, signage, painting, roof work, parking lot, and landscaping so that the building looks brand new. Authentic Fairfield believes the money spent on these types of renovations are well spent. A well maintained property will make the store more inviting and reduce the likelihood of loitering, vandalism or illegal activities around the store.

Authentic Fairfield's policies and procedures will provide for the restoration of any area defaced by graffiti either by painting over the area with a color matching the original design scheme or by removing the graffiti within 24 hours of the occurrence. Security guards and employees will routinely check for graffiti and report any instances discovered to management, who will arrange for prompt repainting or removal.

The security guards will take primary responsibility for on-site patrol, including all areas of the premises and the parking lot. In addition, staff members will be trained to report any incidents or circumstances that conflict with company best practices. We will display prominent, visible signage to deter visitors from loitering or consuming intoxicating substances, such as alcohol and cannabis, on or near its premises. Specifically, Authentic Fairfield will post "No Loitering, Public Drinking, or Public Smoking/Consumption of Cannabis" signs both inside and outside of the premises. Moreover, Authentic Fairfield will prohibit individuals from remaining on its premises if they are not engaging in an activity expressly related to its retail operations.

All Authentic Fairfield staff will be responsible for the internal and external appearance of its business, both in terms of physical presentation and brand image. As noted in Section 3.1, staff will ensure that litter around the premises is picked up at the beginning and end of each day. Authentic Fairfield employees will also sweep the area immediately in front of the storefront. Authentic Fairfield will also utilize property management to ensure the interior and exterior is cleaned daily. Authentic Fairfield takes pride in its professional reputation and in retaining the enduring goodwill of neighboring tenants and property owners.

3.3. Odor Mitigation Practices

Because no packaging or other manufacturing of cannabis will be conducted at this site, odor will not affect the surrounding area as long as all of our odor mitigation practices are followed.

Standard Operating Procedures to Prevent Odor

Authentic Fairfield's employees are required to check all inventory of cannabis products to ensure that all packages are properly sealed and packaged so that they do not emanate any odors. Because oils, edibles and other manufactured goods do not emanate any cannabis odor, employees will be trained to pay special attention to the packaging of raw flower and pre-roll flower to ensure they do not have any damage or openings and no odor is emanating from them.

Additionally, employees will be required to check that all windows and doors (other than the front door which remains unlocked during operations) are properly locked, closed and sealed. The HVAC system, negative air pressure, and the carbon filtration system, which is described in Section 3.5 below, will ensure that all air passes through the carbon filtration system and only through the roof outlets.

Security guards and our employees will also make sure that people are not consuming any cannabis products within

the store or within the general area of our store. Signs will be posted throughout our store that consumption of cannabis on our property is prohibited and against the law. Our security guards will also conduct perimeter walks to prevent loiterers from consuming cannabis on our parking lot or in the area around our parking lot. By preventing loiterers and customers from consuming cannabis on or around our facility, we will prevent a common source of cannabis odor which plagues other cannabis dispensaries.

Employee Odor Detection System

In addition to the preventative practices described above, Authentic Fairfield will train employees on how to detect, prevent, and remediate odor outside its facility. Employees will also be aware of all corrective options available. Employees who detect any odors or are made aware of any odors are trained to do the following:

- Investigate the likely source of the odor.
- Utilize on site management practices to resolve the odor event.
- Take steps to reduce the source of objectionable odors.
- Determine if the odor traveled offsite by surveying the perimeter and making observations of existing wind patterns.
- Document the event for further operational review.

An Odor Detection Form (ODF) shall be provided to those who suspect objectionable odors emanating from inside the facility. ODFs are available per request, on-site. We shall maintain records of all odor detection notifications and/or complaints that will include the remediation measures employed. The records shall be made available to the BCC, City, or the general public on request. The form is below:

Odor Detection Form	
Name of Reporting Party:	_____
Phone Number:	_____
Email Address:	_____
Date:	_____
Time:	_____
Location of Odor:	_____

Weather Conditions:	_____

Date/Time of Notification:	_____
Notification Method:	<input type="radio"/> Email <input type="radio"/> Online <input type="radio"/> In Person

Administrative Use Only	
Mitigation Response Taken:	_____
Date/Time Measures Employed:	_____
Were Mitigation Measures Successful?	_____
Signature/Date/Time:	_____

In addition to odor mitigation practices, our odor control devices and techniques described in Section 3.5 and the fact that our location is a standalone property with our own parking lots surrounding the premises without any residences or businesses nearby should reduce the risk of any odor affecting the community.

3.4. Potential Sources of Odor

Cannabis flower and cannabis flower in pre-rolls are the only products which we will carry at our facilities which will have the potential to have any odor since the edibles, oils, tinctures and other products do not emanate any smell. The potential sources for odor from these products include the inventory room, sales room, and any safe in which cannabis goods are stored. As mentioned in Section 3.3, packages will be checked daily to ensure that they are properly sealed and packaged so that they are not emanating any smell.

Authentic Fairfield will not allow raw flower to be packaged on-site which will substantially reduce the risk of any odors emanating in the area. Loiterers and customers will also be prevented from smoking or otherwise consuming any cannabis products on or around the facility, which will also reduce the likelihood of any odors. Any customers who are caught consuming cannabis on or near the facility will be prevented from shopping at our store again. Our security guards will also surveil the parking lot area to prevent customers from consuming any cannabis products in their cars or otherwise on or near the facility.

When inventory shipments are received and are being taken into the inventory room or storage room, Authentic Fairfield will utilize odor-neutralizing materials such as enzymatic catalysts which can degrade odorous compounds. These materials will be applied to surface areas throughout the store to reduce the risk of any odors.

In summary, the raw flower and the pre-rolls we sell on the sales floor and which we store in our inventory rooms are the main potential sources of cannabis odor. The odor mitigation practices described in Section 3.3 and the devices and techniques described in Section 3.5, shall prevent any such potential sources of odor from causing odors inside or outside of the store.

3.5. Odor Control Devices and Techniques

Authentic Fairfield's odor control plan ensures odors from cannabis are not detectable beyond the licensed premises. The first step of Authentic Fairfield's air quality management and odor mitigation plan will be to employ adequate heating, ventilation, and air conditioning ("HVAC") systems. Authentic Fairfield will work with licensed engineers to assess and improve any existing HVAC system at the proposed location to ensure superior air quality and mitigate any odors that result from the proposed retail space.

Authentic Fairfield will replace and maintain the highest quality carbon filters to provide clean air for all employees and consumers. In addition to the HVAC system, Authentic Fairfield will engage with a local mechanical engineering firm to assess the facility, identify opportunities for improvement, and increase air quality and odor capture. Improvements may include but will not be limited to:

REDACTED

Air Pressure

Authentic Fairfield's facility will be kept under

REDACTED

The exhaust discharge shall be designed with a high velocity outlet to eject the exhaust up and away from any neighbors or pedestrian traffic.

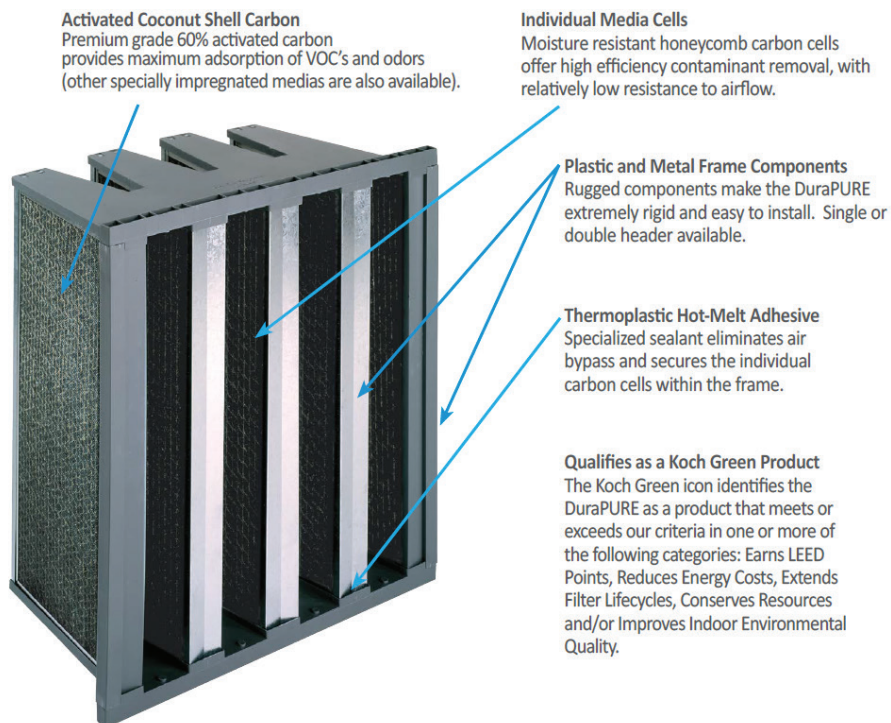
REDACTED



Carbon Filters

We believe that the best filtration system for cannabis facilities is carbon filtration. The various inventory, retail and storage areas will all be separated from other areas, allowing for odor control methods to be specific to the activity being performed. The carbon-filtered ventilation will utilize the Koch Filter DuraPure, which is used in cigar lounges, airport facilities, chemical plants and other businesses which require a high-powered air filtration system. The DuraPURE utilizes premium grade granular 60% activated carbon and its unique V-shaped frame holds up to 26 pounds of activated carbon.

DuraPURE Construction and Technical Data



Portable, carbon-filtered recirculating Can-Lite 14" x 40" (SKU: 358598) fans will further minimize or eliminate odors in the cultivation, storage and vault rooms and retail area, and will be placed near access points such as doors.

The combination of carbon exhaust air filtration and building pressure control represent the current best available technology.

Air Design Technique

The facility shall have no operable windows and will be kept locked and sealed at all times. All doors shall be sealed with proper weather stripping, keeping circulating and filtered air inside the facility.

In summary, our odor mitigation procedures of ensuring all inventory is properly packaged and sealed and preventing any cannabis consumption on or near the property, our proactive protocols to detect and remediate any odors and finally our state of the art HVAC and carbon filtration systems will ensure that no odors are detectable at or near our facility. This comprehensive system has successfully kept all our other retail locations free of cannabis odor.

3.6. Odor Prevention System Maintenance

Authentic Fairfield will perform monthly inspections of its odor control system to ensure optimal performance and regular maintenance. Detailed service logs will be kept with respect to all HVAC and carbon filters so staff will be aware of how long a filter has been in use. Filters will be assessed monthly and changed every six months, or more frequently if staff becomes aware of any odor permeating the facility.

Testing will be done in accordance with Standardized Odor Measurement Practices for Air Quality Testing or any other state-established testing standards for cannabis businesses. Management will perform a daily walkabout near the exhaust system to verify there are no odors. **REDACTED**

Odor Intensity Reference Scale	
0	None
1	Slight
2	Noticeable
3	Very Noticeable
4	Strong
5	Very Strong

The HVAC and ventilation system will be professionally monitored and maintained with quarterly service appointments. Any system failures will be immediately reported to management staff, and any problems that cannot be dealt with internally will result in the immediate contacting of a professional service technician prior to any scheduled quarterly service appointments from the professional service technician.

Recordkeeping

Staff will keep meticulous records with respect to the HVAC system and carbon filters to ensure maintenance and quality control checks are performed regularly. All the following must be documented in our company database: (i) records of purchases of replacement carbon filters; (ii) performed maintenance tracking; (iii) documentation and notification of malfunctions; (iv) scheduled and performed training sessions; and (v) monitoring of administrative and engineering controls. Odor mitigation records will be made available to the City of Fairfield and the Bureau of Cannabis Control upon request.

3.7. Waste Management Plan

Non-Cannabis Waste

Authentic Fairfield will engage Republic Services or another waste management company approved by the City of Fairfield for its non-cannabis trash and recycling needs. Authentic Fairfield strives to recycle 70-75% of all of its waste produced. Packaging materials for cannabis products which are delivered to our store from distribution vehicles is our largest source of waste, and we will recycle all such cardboard boxes and packaging materials at this store as we have at our other stores. Shoppers will also receive \$0.50 off their next purchase for bringing in their shopping bags which we also recycle. Non-cannabis waste will be disposed of in the trash bin on the western corner of the facility, behind the property.

Cannabis Waste

Authentic Fairfield will dispose of cannabis waste in a manner that ensures it is unusable and not diverted. Authentic Fairfield strives to prevent introduction of defective and/or unsafe cannabis in the marketplace. Thus, safe and secure cannabis waste disposal will be a high priority.

Disposal Locations

The cannabis waste will be kept inside a sealed and locked 20-gallon secure polyethylene container in the limited access section of the inventory room which will be locked until the container is picked up by our third party vendor Cannabis Waste Solutions.

Cannabis Goods Subject to Disposal

The destruction of cannabis goods prior to disposal will be done in accordance with 16 CCR § 5054 and recorded on video. Cannabis and cannabis products will be disposed of in accordance with all applicable waste management laws, including but not limited to, Division 30 of California's Public Resources Code. In order to properly dispose of cannabis and cannabis products, the processes laid out in 16 CCR § 5054(d) will be followed. Those actions include, at a minimum, removing or separating the cannabis goods from any packaging, or container, and rendering it unrecognizable and unusable. Vape cartridges will also be made unusable in accordance with 16 CCR § 5054.

The following cannabis products will be disposed of according to our Standard Operating Procedures:

- Any returned type of cannabis flower or cannabis product including but not limited to edibles, pre-rolls, vape cartridges and topicals by a customer.
- Any empty or damaged packaging that is used to contain cannabis goods.
- Recycled vape cartridges.
- Cannabis goods that have passed their expiration date.
- Cannabis goods that fell onto the floor or have been otherwise contaminated.
- Any cannabis good abandoned on the premises (left behind by a customer) may not be re-sold and must be disposed of as cannabis waste.

Waste Security

Authentic Fairfield's Director of Compliance will be responsible for waste management and will record on digital video all instances when cannabis product is being destroyed. All cannabis waste will be disposed of in the secure waste receptacle located in the limited-access area of the inventory room. Before disposing of the cannabis, the batch number and product information from which the cannabis waste came from must be noted in the Retail Cannabis Disposal Log along with other pertinent information. A co-manager or General Manager must review and initial the Retail Cannabis Disposal Log prior to disposition.

After rendering the cannabis unusable as described below, the Director of Compliance and another employee will lock the cannabis waste into a 20-gallon secure polyethylene container provided by Cannabis Waste Solutions¹³ which will be further locked in the limited access section of the inventory room.

REDACTED



¹³ <https://cannabis-waste.com/about/>

REDACTED

Only authorized employees can access the limited-access room with an electronic card. Cannabis waste will not be disposed of in the dumpster located on the property. Instead, Authentic Fairfield will utilize Cannabis Waste Solutions, a licensed cannabis waste removal service.

Methods of Destroying Cannabis Waste

Cannabis goods intended for disposal will be destroyed, at a minimum, by removing the goods from any packaging or container and rendering them unrecognizable and unusable. Whenever practicable, Shryne will use a destruction method that is environmentally friendly and will result in compostable cannabis waste. For example, cannabis flower will be rendered unusable by grinding the flower and incorporating it with yard waste so that the resulting mixture is at least 50% non-cannabis waste by volume. At the time of pickup Cannabis Waste Solutions will spray a proprietary solution on the cannabis waste to further render the cannabis unusable. The non-toxic rendering fluid is added to saturate the biomass material. This fluid changes the color, taste, and texture of the biomass. It alters the chemical composition of the biomass. The active ingredients are both water and solvent soluble making any re-extraction impossible.

Waste Records

Authentic Fairfield will account for destroyed cannabis goods in METRC and IndicaOnline. Authentic Fairfield will record the following within 24 hours of each cannabis waste destruction or disposal: (i) name and type of cannabis goods; (ii) UID of cannabis goods; (iii) amount of cannabis goods, by weight or count; (iv) date and time of destruction or disposal; (v) name of employee performing destruction or disposal; (vi) reason for destruction and disposal; and (vii) entity disposing of the cannabis waste. Authentic Fairfield will maintain cannabis waste destruction and disposal records for at least seven years per Authentic Fairfield's recordkeeping procedures as pursuant to 16 CCR § 5037(a)(7).

Authentic Fairfield's waste management vendor, Cannabis Waste Solutions, will pick up the secure containers every week from Authentic Fairfield's secure inventory room and will transport it into its facilities, where waste will be either recycled into energy for California's power grid or made into various "new-gen" materials for the construction industry. Authentic Fairfield will obtain documentation from the waste facility evidencing the date and time of the facility's receipt of the cannabis waste and will maintain this documentation for at least seven years in compliance with 16 CCR § 5037(a)(7). See to the right Cannabis Waste Solutions Recycle Back Program which all of Shryne's stores are a part of.

Cannabis Waste Solutions is the first and only company to turn cannabis waste into electricity; but what about the hard to treat items, such as vape cartridges, pods, dab containers, and so many more with metals, glass, and plastics?

**Our Approach**

Cannabis Waste Solutions is proud to introduce the making of NewGen Materials from these hard to treat items. With our proprietary methods, CWS is turning cartridges into an asphalt blend that will be filling potholes in city streets starting Summer 2020



4. SAFETY PLAN



FIRE SAFETY PLAN

**CANNABIS RETAIL STORE
2470 MARTIN RD
FAIRFIELD, CA**

Prepared for:

Authentic Fairfield LLC
2470 Martin Rd
Fairfield, CA 94534

20-2314

September 25, 2020

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INTRODUCTION

Authentic Fairfield LLC is planning to operate a commercial cannabis retail store business in Fairfield, CA and they have retained The Fire Consultants, Inc. (TFC) to evaluate the project and develop a fire safety plan to identify applicable fire protection criteria for the facility. This report will identify the major applicable fire protection requirements pertaining to the facility and will serve as the basis of discussion between design team members and the Authorities Having Jurisdiction (AHJ) regarding these elements.

The major design objectives are to protect the occupants and inventory from a potential fire and achieve and maintain compliance with the applicable codes. This report does not provide requirements from the insurer but incorporates these where they have been provided to us by the operator.

APPLICABLE CODES

The project will be subject to the requirements of the 2019 California Building Code (CBC) and California Fire Code (CFC) with City of Fairfield amendments, and City of Fairfield Administrative Regulations for Commercial Cannabis Business.

BUILDING DESCRIPTION

The Authentic Fairfield LLC. retail store will be approximately 10,537 square feet, will occupy the entire existing building built in 1976 and will have a layout as shown in Section 4.1.2 of this report. The City-approved floor plan and building to be occupied will be determined later, after City approval of the proposed project. The building will include approximately 4,122 SF front-of-house (public access) and the rest will be back-of-house (employee only).

OVERVIEW

The Authentic Fairfield LLC retail store is classified as Mercantile Group M occupancy per the Building Code (CBC) and will include both front-of-house areas and back-of-house areas. The front-of-house areas will include an entry lobby, retail sales and display area, and restrooms. The back of house area will include the secured cannabis storage, break area, inventory, office, and restroom. The retail store will sell a variety of cannabis products, including flower, pre-rolls, vapor products, edibles, capsules, topicals, tinctures, concentrates and other accessories. The products will come pre-packaged from distributors; the retail store will not undertake any packaging in the store. The retail store will not include any operations related to cannabis growing, processing, or extraction.

SAFETY PLAN

The City of Fairfield requires a Safety Plan for cannabis retail stores. This document is provided to address City requirements for a Safety Plan for the Authentic Fairfield LLC cannabis retail store at 2470 Martin Rd Fairfield Blvd.

4.1. FIRE SAFETY ASSESSMENT

The Fire Consultants, Inc. (TFC) is a fire protection engineering and consulting firm with widespread experience conducting fire protection and life safety assessments, developing fire protection reports and code compliance assessments, as well as, designing fire alarm, sprinkler and special suppression systems and reviewing those designs by others. Mr. John Stauder, P.E. is a licensed professional engineer, holding both Mechanical Engineering (M 33333) and Fire Protection Engineering (FP 1668) licenses in California.

Construction Type and Allowable Area

Authentic Fairfield LLC retail store will be located within an existing 10,537 square foot retail building. As an existing Group M occupancy, the new Authentic Fairfield LLC retail store space already complies with Group M height and area requirements.

Use and Occupancy

Authentic Fairfield LLC will contain a display and sales floor, a lobby, inventory and storage rooms, and supporting spaces associated with the retail store. The retail store will be classified as Mercantile Group M occupancy, as the retail store will be used for the display and sale of merchandise, and will include associated storage/stock of the goods incidental to the store per CBC Section 309.1, as well as assembly use spaces (with under 50 occupants) incidental to the store per CBC Section 303.1.2.

Based on discussion with the operator, the Authentic Fairfield LLC retail store will not contain flammable or combustible liquids or other hazardous materials as listed and regulated by CBC Tables 307.1(1) or 307.1(2). Any potentially hazardous materials in the facility would consist of limited amounts (5 gallons or less) of cleaning supplies. The intended operation by these standards is not classified as a hazardous occupancy.

Housekeeping

Authentic Fairfield LLC management will maintain controls to prevent accumulation of combustible waste on the premises in accordance with CFC Section 304. All combustible waste material will be stored in approved containers or as acceptable to the Authority Having Jurisdiction until such waste can be removed from the premises. Trash containers with a capacity exceeding 40 gallons are required to be provided with lids and constructed of noncombustible materials, or of combustible materials with a peak heat release rate not exceeding 300 kW/m² where tested in accordance with

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ASTM E1354 at an incident heat flux of 50 kW/m² in the horizontal orientation.
Dumpsters will need to comply with CFC Section 304.3.3.

Outside the building, the space within 30 feet of the building or to the lot line is required to be maintained free of flammable vegetation or brush per CFC Section 304.1.2.

Site Access

The project will be a tenant improvement remodel within an existing tenant space within an existing building. As this is a renovation to an existing building with no change of use, re-evaluation of fire apparatus access roads, fire flow and fire hydrants based on Appendices B, C and D of CFC is not likely to be required. These requirements, however, are always subject to review and approval of the Authority Having Jurisdiction.

Inhalation Issues/Threats

The project will only include retail sales of cannabis products. The products will come pre-packaged from distributors; the retail store will not undertake any packaging in the store. The retail store will not include any operations related to cannabis growing, processing, or extraction. Therefore, there will be very limited to no inhalation issues or threats from the retail sales operation or Authentic Fairfield LLC's business at this location.

4.1.1. ACCIDENT AND INCIDENT PROCEDURES

Employee—complete this section and see note above		Empleado—complete esta sección y note la notación arriba.	
1. Name. <i>Nombre.</i> _____		Today's Date. <i>Fecha de Hoy.</i> _____	
2. Home Address. <i>Dirección Residencial.</i> _____			
3. City. <i>Ciudad.</i> _____		State. <i>Estado.</i> _____	Zip. <i>Código Postal.</i> _____
4. Date of Injury. <i>Fecha de la lesión (accidente).</i> _____		Time of Injury. <i>Hora en que ocurrió.</i> _____ a.m. _____ p.m.	
5. Address and description of where injury happened. <i>Dirección/lugar dónde ocurrió el accidente.</i> _____			
6. Describe injury and part of body affected. <i>Describe la lesión y parte del cuerpo afectada.</i> _____			
7. Social Security Number. <i>Número de Seguro Social del Empleado.</i> _____			
8. <input type="checkbox"/> Check if you agree to receive notices about your claim by email only. <input type="checkbox"/> <i>Marque si usted acepta recibir notificaciones sobre su reclamo solo por correo electrónico.</i> Employee's e-mail. _____ <i>Correo electrónico del empleado.</i> _____			
You will receive benefit notices by regular mail if you do not choose, or your claims administrator does not offer, an electronic service option. <i>Usted recibirá notificaciones de beneficios por correo ordinario si usted no escoge, o su administrador de reclamos no le ofrece, una opción de servicio electrónico.</i>			
9. Signature of employee. <i>Firma del empleado.</i> _____			
Employer—complete this section and see note below. Empleador—complete esta sección y note la notación abajo.			
10. Name of employer. <i>Nombre del empleador.</i> _____			
11. Address. <i>Dirección.</i> _____			
12. Date employer first knew of injury. <i>Fecha en que el empleador supo por primera vez de la lesión o accidente.</i> _____			
13. Date claim form was provided to employee. <i>Fecha en que se le entregó al empleado la petición.</i> _____			
14. Date employer received claim form. <i>Fecha en que el empleado devolvió la petición al empleador.</i> _____			
15. Name and address of insurance carrier or adjusting agency. <i>Nombre y dirección de la compañía de seguros o agencia administradora de seguros.</i> _____			
16. Insurance Policy Number. <i>El número de la póliza de Seguro.</i> _____			
17. Signature of employer representative. <i>Firma del representante del empleador.</i> _____			
18. Title. <i>Título.</i> _____		19. Telephone. <i>Teléfono.</i> _____	
Employer: You are required to date this form and provide copies to your insurer or claims administrator and to the employee, dependent or representative who filed the claim within <u>one working day</u> of receipt of the form from the employee. SIGNING THIS FORM IS NOT AN ADMISSION OF LIABILITY		Empleador: Se requiere que Ud. feche esta forma y que provée copias a su compañía de seguros, administrador de reclamos, o dependiente/representante de reclamos y al empleado que hayan presentado esta petición dentro del plazo de <u>un día hábil</u> desde el momento de haber sido recibida la forma del empleado. EL FIRMAR ESTA FORMA NO SIGNIFICA ADMISION DE RESPONSABILIDAD	
<input type="checkbox"/> Employer copy/Copia del Empleador		<input type="checkbox"/> Employee copy/Copia del Empleado	
<input type="checkbox"/> Claims Administrator/Administrador de Reclamos		<input type="checkbox"/> Temporary Receipt/Recibo del Empleado	

Accident and Incident reporting form

Authentic Fairfield LLC has a form to document, track and submit accidents and incidents to the proper authorities. As a retail store, with no processing, extraction or manufacturing operations, the nature of any accidents or incidents is anticipated to be equivalent to any comparable retail establishment. However, any accidents or incidents will require immediate completion of the above form and be submitted to HR, Legal and Compliance who will take actions to mitigate future occurrences.

4.1.2. DESCRIBE EVACUATION ROUTES

REDACTED

Figure 1- Egress travel path, common path of travel and exit separation for Authentic Fairfield.

The proposed retail site building includes three evacuation routes as shown above; one through the main entry lobby for public access areas including retail area, lobby and public restrooms and two through the employee only back of house space. The rear exits permit only employees' access to the exits, while maintaining security and separation between public and employee areas but may be used as an additional exit as permitted for intervening rooms by CBC Section 1016. The blue dimensional arrows above show the adequate exit separation, as required by Code.

The occupant load for the uses of the spaces in the retail store is tabulated below per CBC Table 1004.5.

Use of Space	Occupant Load Factor (sq ft/person)	Space	Approx. Area (sq ft)	Occupant Load (persons)
Unconcentrated Assembly	15 gross	Lobby	382	26
		Break Room	185	13
Mercantile	60 net	Sales and Display Area	3540	59

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Storage, Stock, Shipping Areas	300 net	Electrical Room	450	2
		Secured Storage	1730	6
		Deliveries	175	1
Business Areas	150 net	MGR Office	185	2
		Office - Deliveries	175	2
		Security	110	1
		Retail Restroom	100 x 2	2
		BOH Restroom	120 x 2	2
Total				116

The retail store is separated into front-of-house areas and back-of-house areas, which will be connected through a circulation corridor. The retail store layout provides separate exiting from each area without passing through the other area. The occupant load for the public-accessed front-of-house area is 87 (including lobby and Sales area and Restrooms), and the occupant load for the back-of-house area is 29. The occupant load for front-of-house area is more than 50 occupants, requiring two exits from front of house. One exit will be provided through back-of-house areas.

The egress path of travel limitations (feet) for the occupancy within the retail store is provided below per CBC Chapter 10 for sprinkler protected buildings, as the existing building is sprinkler protected. This is required to be measured along the natural path of travel. The proposed layout is within these travel distances for sprinklered buildings, as shown in Figure 1.

Occupancy	Common Path of Travel	Exit Access Travel	Dead End Length
Group M (Sprinklered)	75	250	50

Where the occupant load will exceed 49, or where the common path limitation is exceeded, a minimum of two exits are required per CBC Table 1006.2.1. These exits are required to be separated by a minimum of one-third the area longest diagonal of the area served for sprinkler protected buildings. The overall retail store facility will contain three separate exits, to meet the required separation; one at the front entry, and two at the rear, back-of-house area as shown in Figure 1. The owner, Authentic Fairfield LLC,

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will install listed panic hardware on the exterior exit doors to meet CBC 1010.1.10 and UL 305.

CBC 1010.1.9 requires all egress doors to be readily openable from the egress side at all times, requiring only one operation to open the door, without the use of a key or special knowledge or effort, except in specific situations.

Certain egress doors in the retail store will be provided with card readers to control access into the retail store, back-of-house area, and cannabis goods storage and inventory rooms. This is to meet Section 10E.25 of the of the Fairfield City Code for Commercial Cannabis Business. These doors will be arranged to meet the following provisions per CBC Section 1010.1.9.10 to allow for free egress:

- a. The door hardware that is affixed to the door leaf has an obvious method of operation that is readily operated under all lighting conditions
- b. The door hardware is capable of being operated with one hand and does not require more than one operation for unlatching
- c. Operation of the door hardware directly interrupts the power to the electric lock and unlocks the door immediately
- d. Loss of power to the electric locking system automatically unlocks the door
- e. Operation of the panic hardware releases the lock
- f. The locking system units are listed in accordance with UL 294

The exit path from the occupied spaces in the rooms or through corridors will need to be a minimum unobstructed width of 36 inches where serving less than 50 occupants; the width increases to 44 inches if serving 50 or more occupants per CBC Table 1020.2. The aisles are required to meet these widths, and the aisle accessways (if not required to be accessible) are required to be at least 30 inches wide per CBC Section 1018.3 and 1018.4. As discussed above, the retail store is separated into a front-of-house area and a back-of-house area, where each area has independent exiting and each serves less than 50 people such that one exit is required from the front-of-house area and from the back-of-house area. The exit path is allowed to pass through intervening rooms that are accessory to one another, provided that the required width is met, and a discernable path of egress travel is provided per CBC 1016.2.

Exit signs are required for rooms where two exits are required, per CBC Section 1013. The facility will be provided with illuminated exit signs to facilitate egress. Emergency lighting will be provided for the means of egress in the facility to meet CBC Section 1008. The facility will be provided with emergency access and emergency evacuation plans to meet state and local fire standards.

The facility will not employ any security devices that emit any medium such as smoke or fog that could obscure the means of egress in the building as prohibited per CFC Section 316.5.

4.1.3. FIRE EXTINGUISHERS AND OTHER FIRE SUPPRESSION EQUIPMENT LOCATION

Exact fire extinguisher locations will be provided to meet 2019 California Building and Fire Code Sections 906 as part of the tenant improvement permit submittal. For light and ordinary hazard occupancies, minimum 2-A fire extinguishers will be provided with a maximum 75 feet travel distance. It is our understanding the existing building is currently protected by an automatic fire sprinkler system. The sprinkler system shop drawings will be a deferred submittal as part of the tenant improvement project and modifications to the system to meet the NFPA 13 requirements will be provided. Similarly, the fire alarm system in the existing building will be modified to meet the tenant improvement project requirements of the City of Fairfield Fire Department and NFPA 72 requirements and will also be a deferred submittal. The possible location of devices for fire alarm system and fire alarm control panel is provided below. The location of manual pull station shall be confirmed with AHJ.



REDACTED

Figure 2- Possible location of fire alarm devices including smoke detectors and CO detectors, fire alarm control panel and fire extinguishers. The fire alarm contractor shall provide the final drawings and verify it meets requirements of NFPA 72.

Sprinklers

The existing building includes automatic sprinkler system. The retail store facility shall maintain the existing automatic sprinkler system, as this greatly enhances life safety, enables code compliance more easily and provides property protection and can reduce business interruption in case of a fire.

The secured cannabis goods storage and inventories will include storage of the products on racks or shelves in cardboard packaging. The retail display area will contain products in display cases. The inventory is anticipated to include up to a Class IV commodity per the CFC and NFPA 13, *Standard for the Installation of Sprinkler Systems*, containing primarily the cannabis products in cardboard and plastic packaging. This is not considered a high-hazard commodity such as flammable liquids or rubber tires or Group A plastics. The product stacking on the display shelving and storage shelving will need to be maintained where the top of storage is no higher than 12 feet above the floor or at least 18 inches below the ceiling sprinklers (subject to NFPA 13 requirements). The inventory is not considered a high-hazard commodity and therefore should not be classified as high-piled combustible storage per the CFC if the top of the storage is maintained under 12 feet.

Subject to the capability of the existing water supply, fire main and existing sprinkler system design, the existing automatic sprinkler system can be utilized to protect the new use and occupancy of the retail store. The display and storage areas may be up to 10 feet in height or at least 18 inches below the ceiling sprinklers (subject to NFPA 13 requirements) and will require protection as Ordinary Hazard Group II (OH2) per NFPA 13 Table 13.2.1. The storage may contain up to 15% unexpanded plastic by weight or 25% by volume. If the existing sprinkler system can't meet OH2 design criteria, the storage arrangement will require modification to meet the available sprinkler system limitations and NFPA 13 requirements.

Storage of any plastics or foams such as shipping supplies will need to be maintained under 6 feet to avoid classification as high-piled combustible storage, this will need to be maintained under 5 feet and protected as Ordinary Hazard Group 2 per NFPA 13 Table 13.2.1.

As the design progresses, the existing sprinkler system design will need to be evaluated with a licensed sprinkler contractor (C-16 Contractor). The sprinkler system design shall be in accordance with NFPA 13, *Standard for the Installation of Sprinkler Systems* and California Building and Fire Code and City of Fairfield amendments. The sprinkler system will need to be inspected, tested, and maintained in accordance with the California amended version of NFPA 25, *Standard for the Inspection, Testing, and Maintenance of Water-Based Fire Protection Systems*.

Fire Alarm

Based on discussion with the Owner/operator, we understand that the existing retail store location is provided with a fire alarm system, monitoring the sprinkler system. The fire alarm including initiation devices and occupant notification will be modified once the project is awarded to Authentic Fairfield LLC and as part of tenant improvement.

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Typically, the new fire alarm will consist of combination smoke / carbon monoxide / heat detection and sprinkler waterflow connected to a fire alarm control panel, and that initiation of such devices will automatically notify emergency responders and employees and public customers.

Since automatic sprinkler system is provided, the facility shall include at least one exterior approved audible device, activated by sprinkler water flow as required by CBC Section 903.4.2. Upon actuation of the automatic sprinkler system, the fire alarm notification appliances throughout the facility will activate. The fire alarm system will also be required to monitor the sprinkler system. Depending on the location of the sprinkler riser, some of these features may already be provided in another area of the retail building.

The fire alarm system will need to be installed, inspected, tested, and maintained in accordance with NFPA 72, *National Fire Alarm and Signaling Code* and *California Fire Code and Title 19*.

Fire Extinguishers

The retail store is anticipated to contain Class A fire hazards, which are ordinary combustibles such as paper and wood, and Class C fire hazards, which are electrical fires. The primary hazard in the facility is anticipated to be Class A fire hazards.

The fire extinguishers in the facility are required to be rated at a minimum 2A:10B:C for the hazards in the building and spaced up to 75 feet travel distance per CBC Table 906.3(1).

The fire extinguishers are required to be located in conspicuous locations per CFC Section 906, either mounted on brackets or inside fire extinguisher cabinets, where they will be readily accessible and immediately available for use, with the top no more than 5 feet above the floor. See Figure-2 for the proposed locations of fire extinguishers in the retail store. The fire extinguishers will need to be installed and maintained in accordance with CFC Section 906.2 and *California Code of Regulations, Title 19, Division 1, Chapter 3*.

4.1.4. PROCEDURE AND TRAINING FOR ALL FIRE AND MEDICAL EMERGENCIES

Authentic Fairfield LLC will establish an employee training program to provide training to employees for response to common fire and medical emergencies. General safety procedures will be documented and reviewed with new hires as part of the formal hiring process and reviewed annually with all staff members. The local emergency contact phone numbers will be conspicuously displayed in the employee break room and at the reception desk in case of fire or medical emergency. Employees will be trained to evacuate the building upon any fire alarm signal and at least two employees will be trained to assist public customers with evacuation during a fire emergency. Employees will also be trained to assist if a customer requires medical assistance within the store.

During emergency situations when an employee requires medical treatment for an

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occupational injury or illness, the local emergency ambulance shall be used to provide transportation for that employee unless other arrangements have been made. In all other cases a representative of Authentic Fairfield LLC will transport personnel to clinics and medical facilities.

First Aid Log

Any injury or illness that is reported to a first-aid facility or medical facility must be recorded on a First-Aid Log form. This includes non-occupational cases and injuries or illnesses treated that involve vendors, suppliers, Contractors/Subcontractors, client personnel, and any other third party. First-Aid Logs or any portion of a log are not for general distribution. Requests for such information shall be processed by the human resource manager/supervisor.

First Aid Kits

First aid supplies shall be easily accessible when required. First-aid kits and required contents are maintained in a serviceable condition. Unit-type kits have all items in the first-aid kit individually wrapped, sealed, and packaged in comparable sized packages. The commercial or cabinet-type kits do not require all items to be individually wrapped and sealed, but only those which must be kept sterile. Items such as scissors, tweezers, tubes of ointments with caps, or rolls of adhesive tape, need not be individually wrapped, sealed, or disposed of after a single use or application.

A roster, denoting the telephone numbers and addresses of doctors, hospitals and ambulance services available to the 2470 Martin Rd retail store, shall be posted at or near each first-aid station.

Safety Rules for All Employees

It is the policy of Authentic Fairfield LLC that everything possible will be done to protect employees from accidents, injuries and/or occupational disease while on the job. Safety is a cooperative undertaking requiring an ever-present safety consciousness on the part of every employee. If an employee is injured, positive action must be taken promptly to see that the employee receives adequate treatment. No one likes to see a fellow employee injured by an accident. Therefore, all operations must be planned to prevent accidents. To carry out this policy, the following rules will apply:

1. All employees shall follow the safe practices and rules contained in this manual and such other rules and practices communicated on the job. All employees shall report all unsafe conditions or practices to the proper authority, including the human resources manager/supervisor.
2. The human resources supervisor/manager shall be responsible for implementing these policies by insisting that employees observe and obey all rules and regulations necessary to maintain a safe work place and safe work habits and practices.
3. Good housekeeping must be practiced at all times in the work area. Clean up all

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waste and eliminate any dangers in the work area.

4. Suitable clothing and footwear must be worn at all times, shoes with thin or torn soles are not permitted.

5. All employees will participate in safety meetings conducted by their supervisor on a regular basis to continuously provide a safe workplace for all. This is an essential part of Authentic Fairfield LLC's program for protecting our employees from accidents and illness.

6. Anyone under the influence of intoxicating liquor or drugs, including prescription drugs which might impair motor skills and judgment, shall not be allowed on the job.

7. Horseplay, scuffling, and other acts which tend to have an adverse influence on safety or well-being of other employees are prohibited.

8. Work shall be well planned and supervised to avoid injuries in the handling of heavy materials and while using equipment.

9. No one shall be permitted to work while the employee's ability or alertness is so impaired by fatigue, illness, or other causes that it might expose the employee or others to injury.

10. There will be no consumption of alcohol or cannabis on the job.

11. All injuries should be reported to the Supervisor, or 911 so that arrangements can be made for medical or first aid treatment.

12. When lifting heavy objects, use the large muscles of the leg instead of the smaller muscles of the back.

13. Do not throw things, especially material and equipment. Dispose of all waste properly and carefully.

MEDICAL EMERGENCY

- Call medical emergency phone number (check applicable):

- ☐ Paramedics
- ☐ Ambulance
- ☐ Fire Department
- ☐ Other

Provide the following information:

- a. Nature of medical emergency,
 - b. Location of the emergency (address, building, room number),
and
 - c. Your name and phone number from which you are calling.
- Do not move victim unless absolutely necessary.
 - Call the following personnel trained in CPR and First Aid to provide the required assistance prior to the arrival of the professional medical help:

Name: _____ Phone: _____

Name: _____ Phone: _____

- If personnel trained in First Aid are not available, as a minimum, attempt to provide the following assistance:
 1. Stop the bleeding with firm pressure on the wounds (note: avoid contact with blood or other bodily fluids).
 2. Clear the air passages using the Heimlich Maneuver in case of choking.
- In case of rendering assistance to personnel exposed to hazardous materials, consult the Material Safety Data Sheet (MSDS) and wear the appropriate personal protective equipment. Attempt first aid ONLY if trained and qualified.

Date ____/____/____

FIRE EMERGENCY

When fire is discovered:

- Activate the nearest fire alarm (if installed)
- Notify the local Fire Department by calling _____.
- If the fire alarm is not available, notify the site personnel about the fire emergency by the following means (check applicable):

- | | |
|---|--|
| <input type="checkbox"/> Voice Communication
<input type="checkbox"/> Phone Paging | <input type="checkbox"/> Radio
<input type="checkbox"/> Other (specify) |
|---|--|

Fight the fire ONLY if:

- The Fire Department has been notified.
- The fire is small and is not spreading to other areas.
- Escaping the area is possible by backing up to the nearest exit.
- The fire extinguisher is in working condition and personnel are trained to use it.

Upon being notified about the fire emergency, occupants must:

- Leave the building using the designated escape routes.
- Assemble in the designated area (specify location):
- Remain outside until the competent authority (Designated Official or designee) announces that it is safe to reenter.

Designated Official, Emergency Coordinator or supervisors must (underline one):

- Disconnect utilities and equipment unless doing so jeopardizes his/her safety.
- Coordinate an orderly evacuation of personnel.
- Perform an accurate head count of personnel reported to the designated area.
- Determine a rescue method to locate missing personnel.
- Provide the Fire Department personnel with the necessary information about the facility.
- Perform assessment and coordinate weather forecast office emergency closing procedures

Area/Floor Monitors must:

- Ensure that all employees have evacuated the area/floor.
- Report any problems to the Emergency Coordinator at the assembly area.

Assistants to Physically Challenged should:

- Assist all physically challenged employees in emergency evacuation.

Date ____/____/____

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CONCLUSION

This report presents the fire safety plan for the proposed retail store under consideration by Authentic Fairfield LLC in Fairfield, CA. If a protection approach as described in these sections is employed and the facility, inventory, and arrangement is as described herein, our opinion is that the design will meet the applicable requirements and provide adequate protection in accordance with the CBC, CFC, and City of Fairfield amendments. We recommend that the information in this report be discussed with the Authorities Having Jurisdiction to confirm the approach.

Prepared by:

Reviewed by:

THE FIRE CONSULTANTS, INC.

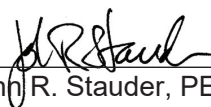
THE FIRE CONSULTANTS, INC.



Hamed Salehi, E.I.T.

9/25/2020

Date



John R. Stauder, PE

9/25/2020

Date

HS/JRS

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5. SECURITY PLAN

The security mission of Authentic Fairfield is to dispense cannabis and cannabis products with the highest standards for quality of product, service, and public safety. Every aspect of Authentic Fairfield's operation will have a strong emphasis on security and preventing the diversion of cannabis. Authentic Fairfield is committed to its mission of working collaboratively with fellow cannabis business owners and the city of Fairfield, California, in creating and improving cannabis security programs. Authentic Fairfield will position itself as an industry security leader by working with the cannabis community to further improve security policies and procedures and will serve as a model for cannabis businesses.

All topics requested in the Commercial Cannabis Business Application Procedure Guidelines ("Guidelines") and state and local law for the Security Plan and all regulations relevant to security are present in this Security Plan. Authentic Fairfield will work with the Police Department to adapt to any changes necessary due to the evolution of the cannabis industry in Fairfield and throughout California. Security can be achieved through smart physical security and surveillance, adherence and oversight of standard operating procedures, and vigilant professionals with the community's best interest in mind.

Authentic Fairfield will dispense cannabis in a commercial part of Fairfield in the areas designated by FMC § 10E.18(b). Security guards will have distinct exterior areas to patrol and will be assisted by a surveillance system which will cover the exterior. The premises is 0.4 miles from the Fairfield Fire Department Station 40, 3 miles from the Fairfield Police Department, and 1.9 miles from the NorthBay Medical Center.

5.1. Prepared by a Professional Security Consultant



SAPPHIRE
RISK ADVISORY GROUP

Authentic Fairfield has contracted with Sapphire Risk Advisory Group, LLC (B07328001 Security Consultant, Texas)¹⁴ to assist in designing Authentic Fairfield's security program and strategy. Sapphire has extensive expertise implementing loss-prevention controls and processes that mitigate security threats from armed robbery and burglary. Sapphire has designed security operations for over 80 cannabis businesses in 24 states, including over 20 in California. Tony Gallo is the Managing Partner at Sapphire Risk Advisory Group. For the last 30 years, he has been a Senior Loss Prevention Executive possessing both strategic and tactical experience in the multi-unit retail and financial loan service industries with such companies as EZCorp (EZPawn/Value Pawn/EZMoney), Sears, Federated Department Stores and also in the auto parts industry. He has proven his ability to reduce losses in not only the loss/asset prevention field but also in audit, safety, risk management, disaster planning and insurance for specialty stores, major department stores and in the financial loan services industry.

Sapphire's experience is implemented in this security plan by focusing on preventing the crime before it occurs. While reactive methods of catching criminals are instituted, deterrence and the safety of customers and employees are the main focus of this security plan. Internal theft is a forgotten, yet critical, aspect of cannabis security, and its development into diversion can create an unpopular problem in any community. The installation of safes and other physical barriers, the conspicuous placement of cameras, the use of multi-lock metal doors, the ease of reporting

¹⁴ <https://www.sapphirerisk.com/>

concerns to management anonymously – all these tactics are drawn from experiences in cannabis, pawn, and other high-risk retail industries to demonstrate that investment in proactive security is required in the cannabis business.

Contact Information:

Managing Partner – Tony Gallo

Email: tgallo@sapphirerisk.com

Phone: 214-845-6838

Leadership

Dan Ramirez is Authentic Fairfield's Chief Security Officer and brings over 25 years of experience in retail security and loss prevention from his time as Director of Loss Prevention at Samuels Jewelers. At Samuels Jewelers, Ramirez designed, implemented, and supervised security systems for over 100 jewelry stores in 26 states. Ramirez's security programs at Samuels Jewelers emphasized employee education and awareness and he created a training program which every employee had to attend on a yearly basis. At Authentic Fairfield, Ramirez will be the point of contact with the Fairfield Police Department, Fairfield Fire Department, and residents or city organizations with concerns regarding safety at and around the store. Within 10 days of being awarded a license, Ramirez and the Director of Compliance, Andrew Hopkins, will introduce themselves to the Fairfield Police Department and Fire Departments and to all residents and business owners within 200 feet of the business to allow them to contact them directly to report any problems with the store.

The CSO will conduct security and emergency preparedness staff training by developing, scheduling and/or facilitating training for employees in order to ensure that all employees meet and exceed all security requirements. The CSO will provide oversight of the security guards at the retailer, and continual evaluation of the security plan for the continuous improvement of proactive responsiveness to changing safety conditions. In accordance with FMC § 10E.22(b), this CSO will also be the designated security representative to the City of Fairfield. The CSO will be available to meet with the City Manager or his/her designee(s) regarding any security related measures and/or operational issues. The CSO will maintain a copy of the security program plan on the premises to present to the City Manager or his/her designee(s) upon request.

5.1.1. Premises (Security) Diagram

Please see the following Page for the to-scale Premises Security Diagram. For the print version, please see the provided and attached document.

REDACTED

REDACTED

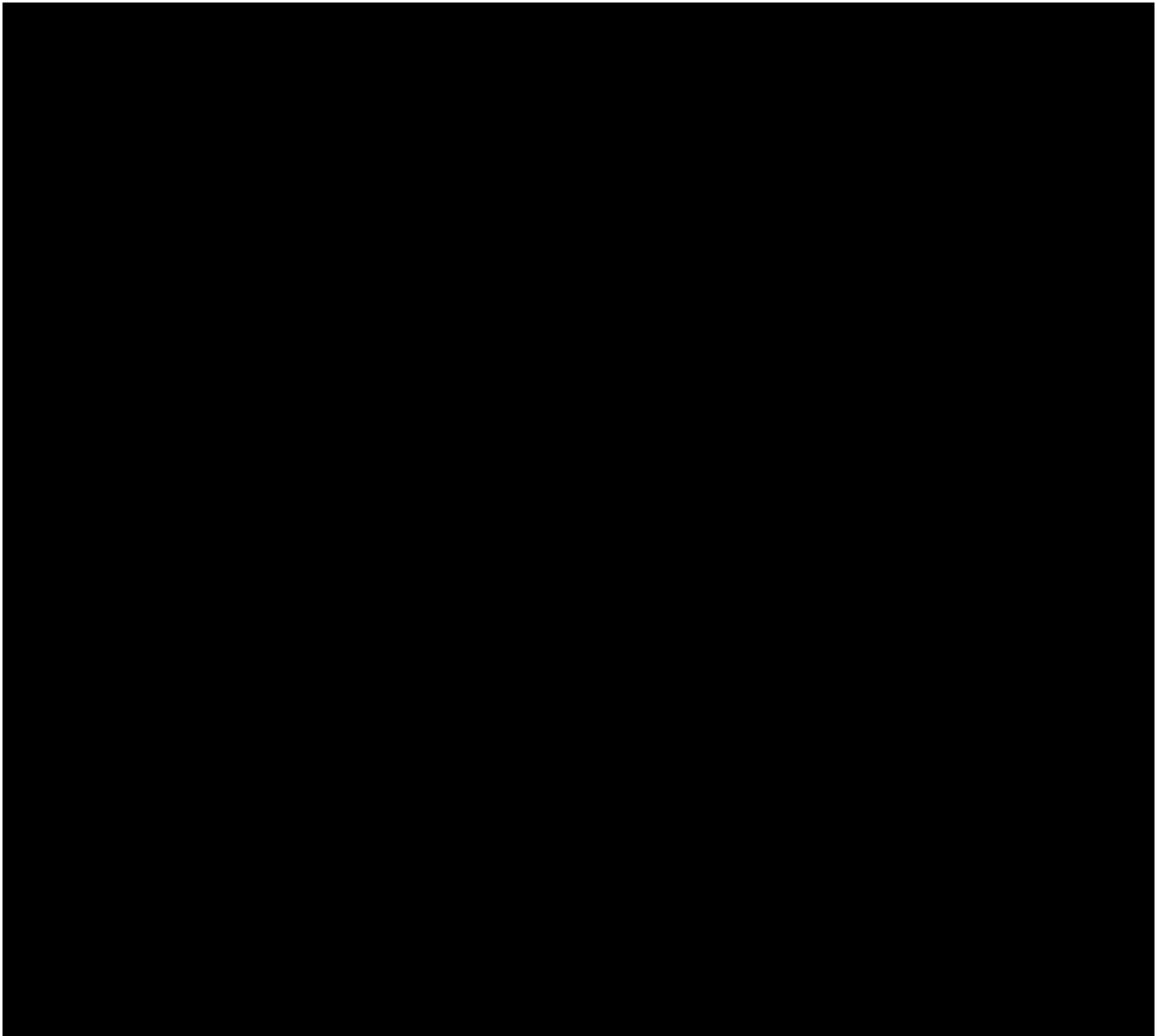
A. Diagram Scale

The Security Site Plan has been reduced to 1/16" scale in order to fit on 11x17 paper. The reduction of scale was confirmed with the City of Fairfield via email to Amy Kreimeier on September 16, 2020.

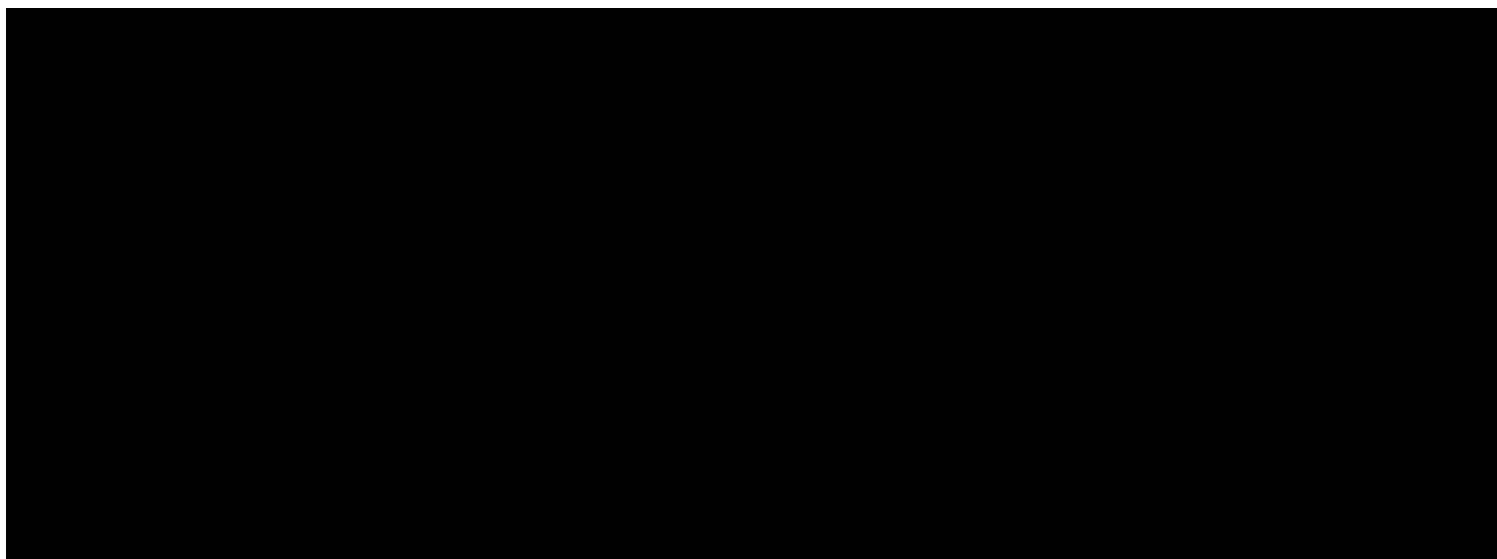
B. Portrayed Property Features

The provided diagram is drawn to scale and clearly identifies property boundaries, entrances, exits, interior partitions, walls, rooms, windows, and doorways. All rooms contain identification for which activities are performed in the various rooms as well as the locations of all cameras.

C. Cannabis Activity by Room



D. Limited Access Areas



The following diagram demonstrates the levels of limited access areas:



5.1.2. Number and Location of all Video Surveillance Cameras

[REDACTED]

[REDACTED] EDACTED

REDACTED

[REDACTED]

5.2. Intrusion Alarm and Monitoring System

Professional Services

[REDACTED]

Alarm Devices and Hardware

[REDACTED]

[REDACTED]

[REDACTED]

Video Surveillance

[REDACTED]

[REDACTED]

[REDACTED]

REDACTED

| REDACTED

S.

REDACTED

REDACTED

Security Equipment and Hard-Drive Storage

REDACTED

| REDACTED

REDACTED

Operation and Response

REDACTED

REDACTED

REDACTED

REDACTED

5.3. Cash Handling Procedures

REDACTED

REDACTED

REDACTED

REDACTED

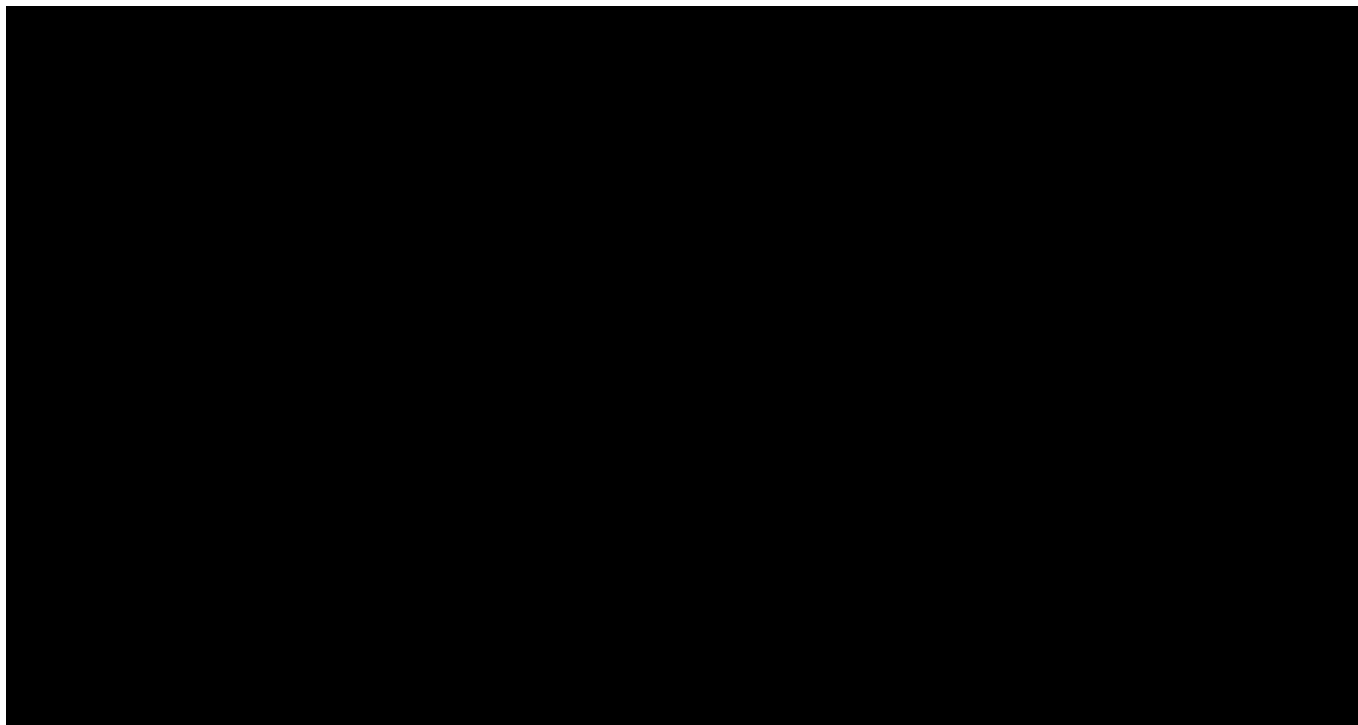
REDACTED

Cash Protocols for Transporting and Depositing

REDACTED

REDACTED

5.4. Security Guards



5.4.1. Number of Guards

REDACTED

1

5.4.2. Hours On-Site

REDACTED

5.4.3. Location Positions

REDACTED

store.

REDACTED

5.4.4. Guards' Roles and Responsibilities

REDACTED

REDACTED

5.5. Additional Security Measures

Employee training

REDACTED

- I [REDACTED]
- I [REDACTED]
- I [REDACTED]
- I [REDACTED]
- I [REDACTED]
- I [REDACTED]
- I [REDACTED]
- I [REDACTED]

- I [REDACTED]
- I [REDACTED]

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REDACTED

Employee Theft and Diversion Prevention

REDACTED

REDACTED

I [REDACTED]

• [REDACTED]

• [REDACTED]

I [REDACTED]

I [REDACTED]

I [REDACTED]

Reporting

[REDACTED]

I [REDACTED]

• [REDACTED]

I [REDACTED]

I [REDACTED]

• REDACTED

REDACTED

Visitor Security

REDACTED

[REDACTED]

Backup Power Source

[REDACTED]

[REDACTED] | [REDACTED]

[REDACTED]

[REDACTED]

Perimeter Security

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Emergency Vehicle and Personnel Access

[REDACTED]

[REDACTED] | [REDACTED]

[REDACTED]

[REDACTED]

Access Control System Hardware and Authorization

[REDACTED]

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

Commercial Doors and Door Locks

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

Inventory control

REDACTED

• REDACTED

- REDACTED

- REDACTED

REDACTED

Recordkeeping and Cybersecurity

REDACTED

Maintenance and Annual Review

REDACTED

6. LOCATION

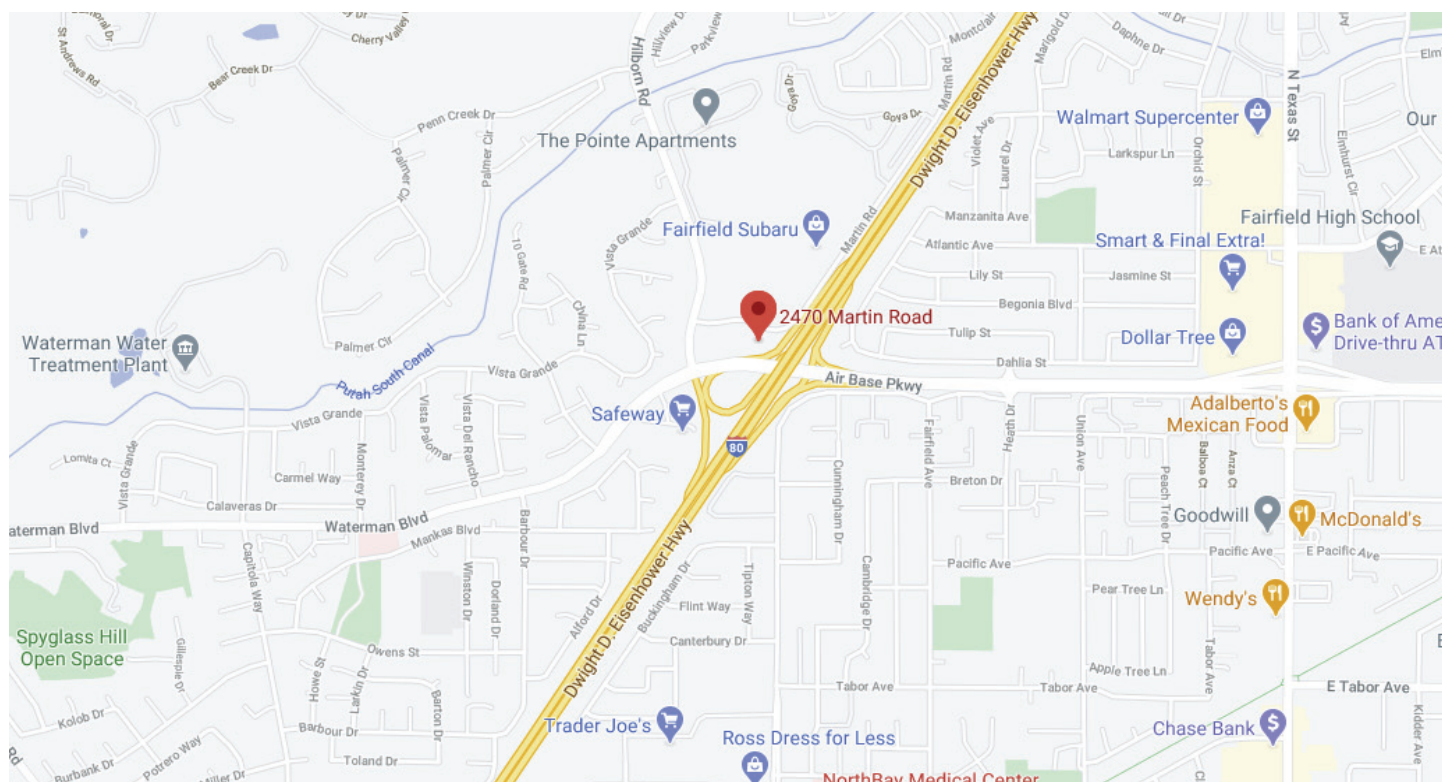
6.1. Description of Proposed Location

Our proposed location is 2470 Martin Road, Fairfield, CA 94534. The assessor's parcel number is 015 613 0290 and is zoned CR. The 10,537 foot building sits on approximately 1.27 acres and boasts 101 parking spaces. There are only 3 other buildings within 1000 feet of this location and the large parking lot separates our location from these 3 other buildings minimizing the effect of our business on the surrounding community. Formerly a car dealership, the location is situated within 3000 feet of Fairfield Subaru and Fairfield Chevrolet dealerships.

Accessibility

The location is easily accessible off of the Waterman Blvd. Exit on I-80 and is only 1300 feet from the offramp. The store will also be highly visible from I-80 for the 400,000 cars that travel between the San Francisco Bay Area and the Sacramento Valley on a daily basis and for travelers going to and from Lake Tahoe. The location is also less than 1 mile away from the intersection of Air Base Pkwy and N. Texas Street, which is one of the busiest intersections in Fairfield,

and only 1.2 miles away from the North Texas Junction. See below a map of the location.



The closest adult use cannabis dispensaries to this location are over 20 miles north in Dixon and 20 miles south in Vallejo. The fact that this location is right off of the I-80 Waterman Blvd. Exit means that it will draw from customers in surrounding cities such as Vacaville, who would not otherwise have easy access to legal cannabis nearby. Additionally, the proximity to the freeway will also bolster our industry best delivery platform, Blaze, permitting us to deliver to addresses all over Solano County, Napa County and even Yolo County. Our popular store in Davis is too small to service a delivery business and this location will satisfy the strong demand for our products in the Davis area.



Overall Property

As can be seen in our site diagram, our location will have two points of ingress and egress off of Martin Road which will reduce the likelihood of any bottlenecks being created due to our operations. The location will also be surrounded on all sides by a total of 101 parking spots on a 1.27 acre parcel so that our popular operation will not create any parking issues for the surrounding businesses. The two closest buildings to us are occupied by Aerotek, an employment agency, and Steve Case, Caliber Home Loans, a home loan company, which are both low customer volume businesses, which should further reduce the likelihood of traffic or parking becoming an issue at this location. This portion of Martin Road also contains pedestrian sidewalks on both sides of the street, making it safer and more accessible for pedestrians.

Similarities with Our Los Angeles Location

Our Los Angeles location is the highest grossing store in California at approximately \$55 million per year. See below, revenue numbers for our Los Angeles location during the last three months:

June 2020: \$6,382,934

July 2020: \$7,008,070

August 2020: \$7,328,983

Four main reasons for our success in Los Angeles are (1) its close proximity to the 101 Freeway, (2) 40 parking spaces, (3) 6500 square foot store and (4) our reputation for selling safe, high quality products at illicit market prices. We believe this Fairfield location checks off each of these characteristics which make our Los Angeles store a success. The Fairfield location has even better visibility from the freeway, more parking spots and a larger retail floor. Add in the fact that the Los Angeles store has 10 other dispensaries it competes with within a 5 mile radius, and we have every reason to believe this Fairfield location should have as much success as our Los Angeles location.

Building

The building is a one story 10,537 square foot building surrounded by 101 parking spots. Authentic Fairfield will institute major renovations to the building's facade, signage, painting, roof work, parking lot, and landscaping so that the building looks brand new. As can be seen in the exterior rendering below and pursuant to FMC § 10E.24(c) and 10E.24(f)(4), the store will not have any cannabis signs, cannabis products or other logos or words which identify that cannabis is sold at the location. Products will also not be visible from the exterior.

REDACTED

FAIRFIELD

Concept Rendering | ISO Plan View

V.2 09.25.20

Floor Plan

As can be seen in the Floor Plan below, the entrance will be on the East side of the building. A customer will enter through this front door into a 382 square foot lobby where check in associates will check IDs and register each customer into our Point of Sale system IndicaOnline. Once IDs are checked and a profile registered, the customer is permitted through the double doors on the right which separate the retail floor with the lobby. Once inside the retail floor, 4 ATMS are placed at the right next to the customer bathrooms with an open floor space in the middle of this 3540 square foot retail floor. A large glass shopping counter containing displays and products will surround the open floor space and 19 Point of Sale systems will be placed on top of the shopping counters. After a customer has completed a sale, the customer will be directed towards the exit of the retail floor which is on the other side of the entrance to the retail floor. A locked door will separate the back of house from the shopping counters where the sales associates will be situated. The back of the house will contain a large 1730 square foot secured inventory room, a break room, the manager's office, 2 bathrooms, a security room containing video monitors for the security cameras, an electrical room, another office and a 375 square foot delivery sorting area for outgoing deliveries.

REDACTED

REDACTED



FLOOR PLAN
SCALE: 1/16" = 1'-0"

6.2. PHOTOGRAPHS OF BUILDING FRONTAGE



6.3. PREMISE DIAGRAM

REDACTED

REDACTED

7. COMMUNITY RELATIONS PLAN

Shryne Group has a track record of providing community benefits in all of the cities where we operate. In the past year alone, we've donated over \$500,000 to various non-profits such as the Boys and Girls Club, Food Share, Imperial Valley Food Bank, United Playaz, and veterans' organizations such as Battle Brothers and Vet Hunters. Our employees also utilize their 24 hours of paid time off for volunteerism by volunteering at local homeless shelters, clean-up projects such as Battle for the Bay and local food drives.

Our Teams are engaged and helpful



Helping Los Angeles Homeless During August's Heatwave



Helping U.S. Military Veterans with Food and Essentials



Helping Essential Workers with Hand Sanitizer and Food



Helping Peaceful Protestors with Water and Essentials

Dr. Mitchell is also a regular contributor to Mission Solano¹⁸ which provides shelter, food and case management to the homeless at 310 Beck Avenue, Fairfield, CA and to Child Haven which provide therapeutic services for children of Solano County who have experienced abuse, neglect and trauma¹⁹.

In Fairfield, we will continue to contribute to Mission Solano and Child Haven and to the following organizations:

¹⁸ <https://www.missionsolano.org/campaign-1>

¹⁹ <https://www.child-haven.org/about-us>

Community Partners

Authentic Fairfield has entered into Letters of Intent and provided initial contributions to the following Fairfield organizations.

- **Community Action North Bay (416 Union Ave., Fairfield, CA 94533)**

Authentic Fairfield, through the Shryne Group, has provided support to Community Action North Bay (CANB). Experiencing a significant resource demand during the COVID-19 pandemic, Authentic Fairfield made an initial contribution of \$2,000 and delivered personal protective equipment such as masks and thermometers to support the efforts of CANB in the community to serve those in need. Authentic Fairfield and the Shryne Group have also committed to an annual contribution to CANB of \$15,000. Authentic Fairfield will also include CANB in its volunteer program for employees to take an active role in improving the community in which they live and work. Please see Appendix A for a support letter from CAN-B for Shryne Group.

- **Food Bank of Contra Costa & Solano (2339 Courage Drive, Ste F, Fairfield, CA 94533)**

Authentic Fairfield and the Shryne Group have also partnered with the Food Bank of Contra Costa and Solano to assist those in need. Given the wide reach of this organization, we have provided an initial contribution of \$3,500 during the COVID-19 pandemic. Additionally, Authentic Fairfield will contribute an additional \$15,000 annually to assist with the fight against hunger and food insecurity. The Food Bank of Contra Costa and Solano will also be part of Authentic Fairfield's employee volunteer program to foster a culture of community engagement.

Drug Prevention Community Fund

Additionally, we have created a fund with the Solano Community Foundation dedicated towards youth drug prevention and education. The fund would be managed by members of the Fairfield community and would provide monetary contributions to fund drug education programs and drug prevention programs in coordination with the City of Fairfield. As part of the drug prevention program, the fund would also discreetly provide monetary support to youth organizations such as Fairfield Police Activities League (PAL) and other youth organizations so that more youth can participate in these organizations. We believe providing youth with the opportunity to participate in after-school activities such as art and sports is one of the most effective ways for youth to stay away from drugs and hope this Drug Prevention Community Fund can steer the youth of Fairfield towards a drug free and healthy lifestyle.

We are committed to contributing 1.5% of our gross profit towards this fund on an annual basis.

Solano College Scholarship and Work Program

Authentic Fairfield will offer a Career Development Program to create opportunities for those often overlooked in the community. This program identifies individuals such as those with a non-violent cannabis offense, veterans, those from the foster care system, or others who have simply experienced extreme financial hardship.

Authentic Fairfield will sponsor two years of classes at Solano Community College for three selected participants and will also offer participants part time jobs at one of our Northern California cannabis operations. The goal of this program is to provide underprivileged residents hands on cannabis experience with living wages and an education foundation in the event participants desire to own or operate their own cannabis business in the future. This companywide program kicked off in December 2019, with three Los Angeles residents currently attending classes at

Los Angeles Trade Tech College in pursuit of a Retail Management Certificate of Achievement while working part time at our cultivation facility. Authentic Fairfield looks forward to replicating this program's success in Fairfield.

Drug Abuse Education

Our stores will have educational materials on marijuana available at our shopping counters. The materials cover the science of cannabis, safe dosing and the different consumption methods and are intended to ensure that our customers safely consume our products. See below an example of our educational materials on safe dosing.

WHAT'S YOUR M.E.D.?

A person's response to cannabis can vary due to things like their age, genetics, food intake, and prior exposure. A person's minimum effective dose (M.E.D.) may be a couple puffs from a cannabis flower pre-roll or several long inhalations from a vaporizer pen. To discover what your M.E.D is, consider these steps:

- **Start with a small dose:** For example, half of a low dose gummy or 1-2 quick puffs from a cannabis pre-roll or vaporizer.
- **Give your body some time to react:** The effect of cannabis smoke or vapor can be felt almost immediately upon proper inhalation, while edibles (cannabis that is ingested as food) can take up to 30 minutes or even longer to feel.
- **Repeat incremental dose or note final dose:** After some time, if you find yourself not feeling any effect, continue to adjust your microdose level.

If you feel just right, just chill and enjoy. If you feel overwhelmed or "too high", the following ideas have shown to help with tolerating the effect:

Stay hydrated, avoid alcohol - Move yourself to a relaxing location where you can decompress and relax - Lay down but don't close your eyes if you feel dizzy - Ask someone to keep you company to take your mind off the high - Perform breathing exercises - Get some sleep

If you are experiencing a medical emergency, please call 911 or seek immediate medical assistance.

TAKE A TOLERANCE BREAK

Moderation is important with any substance, and everyone should use cannabis in a safe manner. After prolonged cannabis use, you may find yourself not feeling the same level of effects. Using cannabis safely can often include taking a "tolerance break". A tolerance break is when a person abstains from cannabis use to clear one's body of cannabinoids like THC and establish good habits and boundaries with using cannabis in a safe and healthy manner. Taking a break may allow for the reverse of tolerance buildup and allow for a consistently positive experience when using cannabis in moderation. Not taking a break can lead to negative effects of overconsumption due to having a higher tolerance level.

If you choose to take a tolerance break, stay healthy with these simple ideas while you learn the right dose to help create balance for your mind and body:

Stay hydrated - Eat healthy - Pick up a hobby - Stay active (workout, pick up a sport, go on a hike, etc.)

Safe Dosing and Delivery Methods

Cannabinoids

Cannabinoids are chemical compounds found throughout the cannabis plant with a high concentration in the trichomes. The most common cannabinoids are THC and CBD, but there are hundreds of other cannabinoids with different properties and uses.

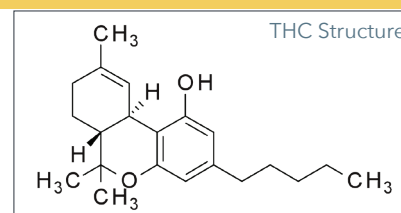
When cannabis is consumed, cannabinoids bind to these receptors (Called CB1 and CB2) throughout the body. THC strongly binds to CB1 receptors in the brain, which is why we get that euphoric high. CBD doesn't bind strongly to these receptors, that is why there are little to no psychoactive effects. Cannabinoids interact with receptors in the brain and body to create various effects.



What is THC?

Tetrahydrocannabinol, is the dominant psychoactive compound found in the plant, and its the reason cannabis makes us feel hungry, happy, and euphoric.

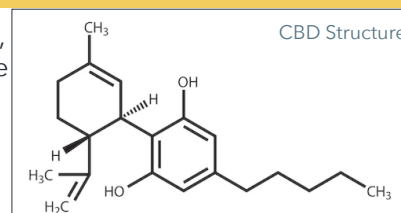
- THC causes the psychoactive effect in cannabis
- THC may cause dizziness and disorientation as it can influence your physiological parameters
- Therapeutic effects include:
 - Pain Relief
 - Neuroprotection
 - Muscle Relaxation
 - Anti-inflammatory



What is CBD?

Cannabidiol, is the second most abundant cannabinoid produced by cannabis, CBD has become quite popular for its mellow, clear-headed, non-psychoactive experience.

- Significantly less psychoactive
- Non-toxic
- Does not significantly influence physiological parameters like heart rate, breathing, or blood pressure
- Helps influence the effect of cannabis by influencing the receptor that binds and metabolizes THC
- Therapeutic effects include:
 - Pain Relief
 - Neuroprotection
 - Muscle Relaxation
 - Anti-inflammatory



The main four cannabinoid families consist of THC, CBD, CBG, and CBC.

CBN is considered a big cannabinoid but it's not naturally produced. It converts to CBN through a reaction as THC and oxygen over time.

The following formulas can be used to convert THCA to THC, THC to THCA, CBDA to CBD, CBD to CBDA

- THCA to THC Formula - Multiply THCA % by 0.88
- THC to THCA Formula - Multiply THCA % by 1.14

SHRYNE GROUP INC.

Additionally, Authentic Fairfield will host monthly education seminars on cannabis products and related safety issues. Interactive presentations by an Authentic Fairfield employee or other cannabis expert will be followed by Q&A sessions. Past presentations include optimal and safe dosing amounts, the dangers of driving under the influence, and different consumption methods and their effects.

Shryne Group has also engaged former Ultimate Fighting Championship veteran Tyson Griffin to participate in our cannabis education seminars at all its retail locations²⁰. Tyson is an advocate of the safe consumption of cannabis and CBD, as well as stretching exercises, to reduce joint pain, anxiety, and depression. Once the proposed store is open, Tyson will hold regular educational seminars at the store to educate citizens on safe cannabis use along with cannabis and holistic well-being. We also have educational information on our website geared towards parents who want to teach their kids about the dangers of underage cannabis use. The content contains recommended links such as to the CDC's website on teen drug use to provide scientific information regarding teen drug prevention and abuse. See below an example of the type of information we share on our website.

What You Need to Know About Marijuana Use in Teens

[Español](#)

The teen years are a time of rapid growth, exploration, and onset of risk taking. Taking risks with new behaviors provides kids and teens the opportunity to test their skills and abilities and discover who they are. But, some risk behaviors—such as using marijuana—can have harmful and long-lasting effects on a teen's health and well-being.

Marijuana and the teen brain

Unlike adults, the teen brain is actively developing and often will not be fully developed until the mid 20s. Marijuana use during this period may harm the developing teen brain.

Negative effects include:




- Difficulty thinking and problem solving.
- Problems with memory and learning.
- Impaired coordination.
- Difficulty maintaining attention.³

Negative effects on school and social life

Marijuana use in adolescence or early adulthood can have a serious impact on a teen's life.

- **Decline in school performance.** Students who smoke marijuana may get lower grades and may more likely to drop out of high school than their peers who do not use.⁴
- **Increased risk of mental health issues.** Marijuana use has been linked to a range of mental health problems in teens such as depression or anxiety.⁵ Psychosis has also been seen in teens at higher risk like those with a family history.⁶
- **Impaired driving.** Driving while impaired by any substance, including marijuana, is dangerous. Marijuana negatively affects a number of skills required for safe driving, such as reaction time, coordination, and concentration.^{7, 8}
- **Potential for addiction.**⁹ Research shows that about 1 in 6 teens who repeatedly use marijuana can become addicted, which means that they may make unsuccessful efforts to quit using marijuana or may give up important activities with friends and family in favor of using marijuana.

Fast Facts

- 38% of high school students report having used marijuana in their life.¹ 
- Research shows that marijuana use can have permanent effects on the developing brain when use begins in adolescence, especially with regular or heavy use.² 
- Frequent or long-term marijuana use is linked to school dropout and lower educational achievement.³ 

20 <https://www.tysongriffin.com/>

We are committed to educating our customers and youth on drug abuse prevention. All cannabis products should only be consumed by persons who are at least 21 years old and in a safe and responsible fashion. The success of our industry depends on this.

Local Hiring

Authentic Fairfield understands that operating a cannabis retail business is a privilege, and believes that this requires a commitment to creating opportunities in the local community. Hiring locally has shown to create more engaged and thriving communities, which is why an average of 75% of our retail employees live within a five-mile radius of our retail stores. As part of our commitment to providing high quality jobs, Authentic Fairfield will be unionized with the UFCW, which means living wages, strong benefits and a pension fund for our employees.

As is our standard procedure, Authentic Fairfield will hold a job fair four to eight weeks prior to opening. This job fair will be advertised on a variety of online job search websites, as well as by the UFCW, the Fairfield-Suisun Chamber of Commerce, Solano Community College, and with our other community partners.

Authentic Fairfield is committed to building and maintaining a local workforce, projecting to supply 40-50 strong middle-class jobs in the local community.

Workforce Development

In addition to offering some of the highest wages and most comprehensive benefits in the industry, Authentic Fairfield will provide a Workforce Development Program for its Fairfield employees. The Shryne Group and Los Angeles Trade Tech College have an agreement for Los Angeles Trade Tech College to teach classes at all Shryne Group's retail, manufacturing, distribution, and cultivation facilities in California. Classes will be held quarterly throughout the year at the Authentic Fairfield store, and will be free of charge to employees. The program has been a huge success in the Shryne Group's downtown Los Angeles location.

Some of the classes being taught include:

- Introduction to Business
- Public Speaking
- Leadership
- Microsoft Excel
- Basics of Accounting
- Communications
- Creating PowerPoint Presentations
- Supply Chain Logistics

Individual classes are 2-3 hours long, and upon completion employees are eligible to receive a certificate of completion from Los Angeles Trade Tech College. Employees will also receive career development counseling throughout the process. This workforce development program aligns with the Shryne Group's mission to include all stakeholders in the success of its business and in the improvement of the communities in which it operates.

Appendix A



September 1, 2020

Letter of Support

In the Fall of 2019 CANB was approached by the Shryne Group, specifically Matthew Nathaniel and Ellen Wysocki, to educate us on the business of their company. The Shryne Group explained the details of the full-scale dispensary business, the volunteer and employment opportunities as well as how they would like to benefit a nonprofit agency such as CANB. They were very interested in becoming educated about the homeless problem in Fairfield and Suisun and learn how they may help others to better understand the issues we experience around these folks without home.

CANB received a financial contribution from the Shryne Group and they have committed to helping again in the future.

During the Covid Pandemic, CANB reached out to Shryne Group as we were in need on PPE equipment. They graciously sent up thermometers and masks to meet our need.

We appreciate having partnerships with companies like the Shryne Group and hope they will be successful in our community.

Please contact me if you have any question.

Sincerely,



Kari Rader
Executive Director

Community Action North Bay

A Non-Profit, Community Based Public Benefit Organization
416 Union Avenue, Fairfield, CA 94533 - Phone 707-427-1148 - Fax 707-427-0468
Website: www.canbinc.org Email: info@canbinc.org



Ellen Wysocki <ellen.wysocki@shrynegroup.com>

Your HdL Companies receipt REDACTED

1 message

HdL Companies <receipts+acct_1FXG5eDfTtf40VZQ@stripe.com>

Fri, Sep 11, 2020 at 4:51 PM

Reply-To: HdL Companies <support@hdlcompanies.com>

To: ellen.wysocki@shrynegroup.com

**Receipt from HdL Companies**

Receipt # REDACTED

AMOUNT PAID

\$300

DATE PAID

September 11, 2020

PAYMENT METHOD

REDACTED

SUMMARY

Order Details: Fairfield gov services - 1 pcs. - Brian Mitchell

Amount paid

REDACTED

If you have any questions, contact us at support@hdlcompanies.com or call at +1 909-861-4335.

Something wrong with the email? [View it in your browser.](#)

You're receiving this email because you made a purchase at [HdL Companies](#), which partners with [Stripe](#) to provide invoicing and payment processing.



Ellen Wysocki <ellen.wysocki@shrynegroup.com>

Your HdL Companies receipt REDACTED

1 message

HdL Companies <receipts+acct_1FXG5eDfTtf40VZQ@stripe.com>

Mon, Sep 21, 2020 at 1:08 PM

Reply-To: HdL Companies <support@hdlcompanies.com>

To: ellen.wysocki@shrynegroup.com

**Receipt from HdL Companies**

REDACTED

AMOUNT PAID

\$300

DATE PAID

September 17, 2020

PAYMENT METHOD

REDACTED

SUMMARY

Order Details: Fairfield gov services - 1 pcs. - Albert Mitchell

REDACTED

Amount paid

If you have any questions, contact us at support@hdlcompanies.com
or call at +1 909-861-4335.

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You're receiving this email because you made a purchase at [HdL Companies](#), which partners with [Stripe](#) to provide invoicing and payment processing.



Ellen Wysocki <ellen.wysocki@shrynegroup.com>

Your HdL Companies receipt [REDACTED]

1 message

HdL Companies <receipts+acct_1FXG5eDfTtf40VZQ@stripe.com>

Mon, Sep 14, 2020 at 6:14 PM

Reply-To: HdL Companies <support@hdlcompanies.com>

To: ELLEN.WYSOCKI@shrynegroup.com

**Receipt from HdL Companies**

Receipt [REDACTED]

AMOUNT PAID

\$300

DATE PAID

September 14, 2020

PAYMENT METHOD

[REDACTED]

SUMMARY

Order Details: Fairfield gov services - 1 pcs. - James Kim

Amount paid

\$ [REDACTED]

If you have any questions, contact us at support@hdlcompanies.com
or call at +1 909-861-4335.

Something wrong with the email? [View it in your browser.](#)

You're receiving this email because you made a purchase at [HdL Companies](#), which
partners with [Stripe](#) to provide invoicing and payment processing.



Ellen Wysocki <ellen.wysocki@shrynegroup.com>

Your HdL Companies receipt REDACTED

1 message

HdL Companies <receipts+acct_1FXG5eDfTtf40VZQ@stripe.com>

Tue, Sep 15, 2020 at 3:33 PM

Reply-To: HdL Companies <support@hdlcompanies.com>

To: ellen.wysocki@shrynegroup.com

**Receipt from HdL Companies**

Receipt # REDACTED

AMOUNT PAID

\$300

DATE PAID

September 15, 2020

PAYMENT METHOD

REDACTED

SUMMARY

Order Details: Fairfield gov services - 1 pcs. - Tony Huang

Amount paid

REDACTED

If you have any questions, contact us at support@hdlcompanies.com or call at +1 909-861-4335.

Something wrong with the email? [View it in your browser.](#)

You're receiving this email because you made a purchase at [HdL Companies](#), which partners with [Stripe](#) to provide invoicing and payment processing.



Ellen Wysocki <ellen.wysocki@shrynegroup.com>

Your HdL Companies receipt [REDACTED]

1 message

HdL Companies <receipts+acct_1FXG5eDfTtf40VZQ@stripe.com>

Tue, Sep 15, 2020 at 4:49 PM

Reply-To: HdL Companies <support@hdlcompanies.com>

To: ellen.wysocki@shrynegroup.com

**Receipt from HdL Companies**

Receipt # [REDACTED]

AMOUNT PAID

\$300

DATE PAID

September 15, 2020

PAYMENT METHOD**REDACTED****SUMMARY**

Order Details: Fairfield gov services - 1 pcs. - Jon Avidor

REDACTED**Amount paid**

If you have any questions, contact us at support@hdlcompanies.com
or call at +1 909-861-4335.

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P.O. Box 15284
Wilmington, DE 19850

Business Advantage

Customer service information

☎ 1.888.BUSINESS (1.888.287.4637)

🌐 bankofamerica.com

✉ Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

SGI RETAIL LLC
575 ANTON BLVD STE 880
COSTA MESA, CA 92626-7044

Your Business Fundamentals Checking Relationship Rewards Platinum Honors

for August 1, 2020 to August 31, 2020

Account number: **REDACTED**

SGI RETAIL LLC

Account summary

Beginning balance on August 1, 2020

Deposits and other credits

Withdrawals and other debits

Checks

Service fees

Ending balance on August 31, 2020

REDACTED

of deposits/credits: 0

of withdrawals/debits: 0

of items-previous cycle¹: 0

of days in cycle: 31

Average ledger balance: **REDACTED**

¹Includes checks paid, deposited items & other debits



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ARFKPB7 | SSM-02-19-0704.B

IMPORTANT INFORMATION: BANK DEPOSIT ACCOUNTS

How to Contact Us - You may call us at the telephone number listed on the front of this statement.

Updating your contact information - We encourage you to keep your contact information up-to-date. This includes address, email and phone number. If your information has changed, the easiest way to update it is by visiting the Help & Support tab of Online Banking.

Deposit agreement - When you opened your account, you received a deposit agreement and fee schedule and agreed that your account would be governed by the terms of these documents, as we may amend them from time to time. These documents are part of the contract for your deposit account and govern all transactions relating to your account, including all deposits and withdrawals. Copies of both the deposit agreement and fee schedule which contain the current version of the terms and conditions of your account relationship may be obtained at our financial centers.

Electronic transfers: In case of errors or questions about your electronic transfers - If you think your statement or receipt is wrong or you need more information about an electronic transfer (e.g., ATM transactions, direct deposits or withdrawals, point-of-sale transactions) on the statement or receipt, telephone or write us at the address and number listed on the front of this statement as soon as you can. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- Tell us your name and account number.
- Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

For consumer accounts used primarily for personal, family or household purposes, we will investigate your complaint and will correct any error promptly. If we take more than 10 business days (10 calendar days if you are a Massachusetts customer) (20 business days if you are a new customer, for electronic transfers occurring during the first 30 days after the first deposit is made to your account) to do this, we will provisionally credit your account for the amount you think is in error, so that you will have use of the money during the time it will take to complete our investigation.

For other accounts, we investigate, and if we find we have made an error, we credit your account at the conclusion of our investigation.

Reporting other problems - You must examine your statement carefully and promptly. You are in the best position to discover errors and unauthorized transactions on your account. If you fail to notify us in writing of suspected problems or an unauthorized transaction within the time period specified in the deposit agreement (which periods are no more than 60 days after we make the statement available to you and in some cases are 30 days or less), we are not liable to you and you agree to not make a claim against us, for the problems or unauthorized transactions.

Direct deposits - If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you may call us to find out if the deposit was made as scheduled. You may also review your activity online or visit a financial center for information.

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Service fees

The Monthly Fee on your Business Fundamentals Checking account was waived for the statement period ending 08/31/20. A check mark below indicates the requirement(s) you have met to qualify for the Monthly Fee waiver on the account.

REDACTED

For information on how to open a new product, link an existing service to your account, or about Business Advantage Relationship Rewards please call 1.888.BUSINESS or visit bankofamerica.com/smallbusiness.

Daily ledger balances

Date	Balance (\$)
08/01	REDACTED

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CITY OF FAIRFIELD

Founded 1856

Incorporated December 12, 1903

COMMUNITY DEVELOPMENT DEPARTMENT

Home of
Travis Air Force Base

COUNCIL

Mayor
Harry T. Price
707.428.7395
Vice-Mayor
Pam Bertani
707.429.6298
Councilmembers
707.429.6298

Catherine Moy

Chuck Timm

Rick Vaccaro

...

City Manager
Stefan T. Chatwin
707.428.7400

...

City Attorney
Gregory W. Stepanich
707.428.7419

...

City Clerk
Karen L. Rees
707.428.7384

...

City Treasurer
Arvinda Krishnan
707.428.7036

DEPARTMENTS

City Manager's Office
707.428.7400

...

Community Development
707.428.7461

...

Finance
707.428.7036

...

Fire
707.428.7375

...

Human Resources
707.428.7394

...

Parks & Recreation
707.428.7465

...

Police
707.428.7362

...

Public Works
707.428.7485

September 11, 2020

Brian Mitchell
Shryne Group Inc.
Authentic Fairfield LLC.

Re: Zoning Letter for 2470 Martin Rd., Fairfield, CA 94534, ZL2020-023

Dear Mr. Mitchell:

In response to your request for zoning information for cannabis permitting at the above referenced property, I trust that you will find the following information useful:

- The current zoning classification for the subject property is CR (Regional Commercial).
- Commercial cannabis - retail is a permitted use in the CR zone subject to the requirements of the Fairfield Municipal Code (FMC) Chapter 10E.
- The City has not identified any sensitive uses, as defined in FMC Section 10E.18 (c), within 600 feet of the subject property at the time of this writing.

All information was obtained from public records, which may be inspected during regular business hours. For further information regarding zoning requirements, the entire Zoning Ordinance can be reviewed at the City website, www.fairfield.ca.gov.

Please contact me at 707-428-7450 or akreimeier@fairfield.ca.gov with any questions or concerns.

Sincerely,

AMY KREIMEIER
Senior Planner

PROPERTY OWNER CONSENT FORM

Commercial Cannabis Business

PREMISES LOCATION INFORMATION:

2470 Martin Rd.	Fairfield	CA	94534
Physical Address	City	State	Zip Code
Authentic Fairfield, LLC			
Tenant Applicant (Business Name)			

If the applicant is not the property owner(s), the applicant must provide the name, address and telephone number of the property owner pursuant to Fairfield Municipal Code Section 10E.8.

PROPERTY OWNER INFORMATION:

☒ OWNER ☐ PROPERTY MANAGER ☐ OTHER: _____

Paul Blanco	Manager		
Name	Title		
Paul Blanco's Real Estate LLC	[REDACTED]		
Business Name (if applicable)	Phone Number		
2820 Fulton Ave	Sacramento, CA 95821		
Mailing Address	City	State	Zip Code

I/We, as the owner(s) of the subject property, consent to the filing of this application and use of the property for the purposes described herein. We further consent and hereby authorize City representative(s) to enter upon my property for the purpose of examining and inspecting the property in preparation of any reports and/or required environmental review for the processing of the application(s) being filed.

<u>Paul Blanco</u> Name <u>owner</u> Title	<u>AB</u> Signature <u>9.29.2000</u> Date
---	--

THE ABOVE SIGNATURE MUST BE ACCOMPANIED BY
AN ACKNOWLEDGEMENT FROM A NOTARY PUBLIC



STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE - NET (DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS)

1. Basic Provisions ("Basic Provisions").

1.1 **Parties:** This Lease ("Lease"), dated for reference purposes only September 1, 2020, is made by and between Paul Blanco's Real Estate, LLC

(collectively the "Parties," or individually a "Party").

and SGI Retail, LLC and/or Assignee ("Lessor"),

and SGI Retail, LLC and/or Assignee ("Lessee"),

(collectively the "Parties," or individually a "Party").

1.2 **Premises:** That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known as (street address, city, state, zip): 2470 Martin Road,

Fairfield CA 94534-1018

("Premises"). The Premises are located in the County of Solano, and are generally described as (describe briefly the nature of the property and, if applicable, the "Project", if the property is located within a Project): a single tenant improved commercial real estate comprised of 10,537 SF on a 1.27 acre lot

(See also Paragraph 2)

1.3 **Term:** 10 years and months ("Original Term") commencing September 1, 2020 ("Commencement Date") and ending August 31, 2030 ("Expiration Date"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** REDACTED per month ("Base Rent"), payable on the 1st day of each month commencing September 1, 2020

(See also Paragraph 4)

☒ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph

1.6 Base Rent and Other Monies Paid Upon Execution:

(a) **Base Rent:** \$ REDACTED for the period 09/01/2020 - 09/31/2020

(b) **Security Deposit:** \$ REDACTED ("Security Deposit"). (See also Paragraph 5)

(c) **Association Fees:** \$ for the period

(d) **Other:** \$ for

(e) **Total Due Upon Execution of this Lease:** \$ REDACTED

1.7 **Agreed Use:** Fully Permitted Cannabis Retail Business (See also Paragraph 6)

1.8 **Insuring Party:** Lessor is the "Insuring Party" unless otherwise stated herein. (See also Paragraph 8)

1.9 **Real Estate Brokers:** (See also Paragraph 15 and 25)

(a) **Representation:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"): Lessor's Brokerage Firm Labarthe Commercial Real Estate

License No. Is the broker of (check one): ☒ the Lessor; or ☐ both the Lessee and Lessor (dual agent).

Lessor's Agent Greg Labarthe

License No. Is (check one): ☐ the Lessor's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

Agent and the Lessor's Agent (dual agent).

PB

Lessee's Brokerage Firm JP InvestmentsLicense No. 00832391 Is the broker of (check one): ☒ the Lessee; or ☐ both the Lessee and Lessor (dual agent).Lessee's Agent Jose PechoLicense No. 00832391 Is (check one): ☒ the Lessee's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

(b) **Payment to Brokers:** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of _____ or 5.000 % of the Rent) for the brokerage services rendered by the Brokers.

1.10 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by Shryne Group, Inc.

(**"Guarantor"**). (See also Paragraph 37)

1.11 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

- ☒ an Addendum consisting of Paragraphs 51 through 62 ; a
- ☒ plot plan depicting the Premises;
- ☐ a current set of the Rules and Regulations;
- ☐ a Work Letter;
- ☐ other (specify): _____

2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **Note: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs (**"Start Date"**), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems (**"HVAC"**), loading doors, sump pumps, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the **"Building"**) shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with said warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Building. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances (**"Applicable Requirements"**) that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 50), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building (**"Capital Expenditure"**), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and an amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

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STN-27.30, Revised 11-25-2019

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not, however, have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 Delay in Possession. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay

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to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent, Insurance and Real Property Taxes, and any remaining amount to any other outstanding charges or costs.

4.3 Association Fees. In addition to the Base Rent, Lessee shall pay to Lessor each month an amount equal to any owner's association or condominium fees levied or assessed against the Premises. Said monies shall be paid at the same time and in the same manner as the Base Rent.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent. The term "**Hazardous Substance**" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "**Reportable Use**" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) Duty to Inform Lessor. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) Lessee Remediation. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

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(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. **No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.**

~~(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.~~

~~(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.~~

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of a written request therefor. In addition, Lessee shall provide Lessor with copies of its business license, certificate of occupancy and/or any similar document within 10 days of the receipt of a written request therefor.

6.4 **Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of a written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

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7. Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.**7.1 Lessee's Obligations.**

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, roof drainage systems, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition (including, e.g. graffiti removal) consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, (v) roof covering and drains, and (vi) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (ie. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation), it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "**Utility Installations**" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or

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for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 **Payment For Insurance.** Lessee shall pay for all insurance required under Paragraph 8 except to the extent of the cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of \$2,000,000 per occurrence. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within 10 days following receipt of an invoice.

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an **"insured contract"** for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an Insured Loss.

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(b) **Rental Value.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value Insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period. Lessee shall be liable for any deductible amount in the event of such loss.

(c) **Adjacent Premises.** If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor and its Agents from Liability. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

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9. **Damage or Destruction.**

9.1 **Definitions.**

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires remediation.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no

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liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 **Definition.** As used herein, the term "**Real Property Taxes**" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises or the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes.** In addition to Base Rent, Lessee shall pay to Lessor an amount equal to the Real Property Tax installment due at least 20 days prior to the applicable delinquency date. If any such installment shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such installment shall be prorated. In the event Lessee incurs a late charge on any Rent payment, Lessor may estimate the current Real Property Taxes, and require that such taxes be paid in advance to Lessor by Lessee monthly in advance with the payment of the Base Rent. Such monthly payments shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount collected by Lessor is insufficient to pay such Real Property Taxes when due, Lessee shall pay Lessor, upon demand, such additional sum as is necessary. Advance payments may be intermingled with other moneys of Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any such advance payments may be treated by Lessor as an additional Security Deposit.

10.3 **Joint Assessment.** If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 **Personal Property Taxes.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered or billed to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered or billed. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "**assign or assignment**") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "**Net Worth of Lessee**" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d),

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or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i.e. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder,

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whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

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(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvement for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the Building, or more than 25% of that portion of the Premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.9 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed. The provisions of this paragraph are intended to supersede the provisions of any earlier agreement to the contrary.

15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.9, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and

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if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

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23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.**

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

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28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect to Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Lessor may place on the Premises ordinary "**For Sale**" signs at any time and ordinary "**For Lease**" signs during the last 6 months of the term hereof. Except for ordinary "for sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

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36. **Consents.** All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. **Guarantor.**

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association, and each such Guarantor shall have the same obligations as Lessee under this Lease.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted an Option, as defined below, then the following provisions shall apply:

39.1 **Definition. "Option"** shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; ~~(b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.~~

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Multiple Buildings.** If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will abide by and conform to all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessee also agrees to pay its fair share of common expenses incurred in connection with such rules and regulations.

41. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. **Reservations.** Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" with 6 months shall be deemed to have waived its right to protest such payment.

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44. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

45. Conflict. Any conflict between the printed provisions of this Lease and typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. Offer. Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

48. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

49. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☒ is not attached to this Lease.

50. Accessibility; Americans with Disabilities Act.

(a) The Premises:

☒ Have not undergone an inspection by a Certified Access Specialist (CASP). Note: A Certified Access Specialist (CASP) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☐ Have undergone an inspection by a Certified Access Specialist (CASP) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ Have undergone an inspection by a Certified Access Specialist (CASP) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

- 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.**
- 2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.**

WARNING: IF THE PREMISES IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED.

PB

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The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____ Address

On: Date _____

Executed at: _____ Address

On: 9/1/2020 _____

By LESSOR:

Paul Blanco's Real Estate, LLC

By: Paul Blanco

Name Printed: Paul Blanco

Title: Manager

Phone: 916439653u

Fax: _____

Email: REDACTED

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: _____

Federal ID No.: _____

BROKER

Labarthe Commercial Real Estate

Att: Greg Labarthe

Title: Broker

Address: 125 Railroad Ave, Suite 202

Danville, CA 94526

Phone: (925)200-0888

Fax: _____

Email: GREG@LABARTHECRE.COM

Federal ID No.: _____

Broker DRE License #: #00988923

Agent DRE License #: _____

By LESSEE:

SGI Retail, LLC and/or Assignee

By: Brian Mitchell

Name Printed: Brian Mitchell

Title: Managing Member

Phone: _____

Fax: _____

Email: brian.mitchell@shrynegroup.com

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: _____

Federal ID No.: _____

BROKER

JP Investments

Att: Jose Pecho

Title: Broker

Address: 29872 Ygnacio Valley Road, #103

Walnut Creek, CA 94598

Phone: (925)286-6607

Fax: _____

Email: JOSE@JPINVESTS.COM

Federal ID No.: _____

Broker DRE License #: 00832391

Agent DRE License #: 00832391

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ADDENDUM

Date: September 1, 2020

By and Between

Lessor: Paul Blanco's Real Estate, LLC

Lessee: SGI Retail, LLC and/or Assignee

Property Address: 2470 Martin Road

Fairfield

CA 94534-1018

(street address, city, state, zip)

Paragraph 51-62

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control.

51. Lessee shall have the right to terminate the Lease if Lessee or its affiliate is notified by the City of Fairfield that it will not receive a cannabis permit or a conditional use permit to operate a cannabis retail store. Lessee will provide 90 days notice of termination, provided that Lessor will use its best efforts to find a replacement tenant, which if successful will release Lessee from the Lease prior to 90 days

52. In the event Lessee is not in default of the terms of this agreement, then Lessee shall have two options to renew the agreement an additional 5 years each. Lessee shall give notice to Lessor not less than 180 days prior to option renewal. Lessee cannot exercise either option to renew if the Lessee has been in default four (4) times in the last twelve (12) months prior to the date Lessee exercises either option to renew.

53: Monthly base rents shall increase yearly by 3% on the anniversary date of Lessee's receipt of all state and local use permits allowing cannabis operations.

54. Lessee shall have the right to assign this Lease to a subsidiary or another entity which is under common ownership, or, has control with.

55. Either Party shall have the right to terminate this Lease on 30 Days written notice in the event either part receives a final adverse determination following a cease and desist letter from the US DOJ, the City of Fairfield, or any other governmental entity declaring Lessee's use of the premises is in violation of law. In such event, Lessee shall vacate the premises as soon as is reasonably practicable and not later than 30 days after either party, delivers written notice to the other of termination due to a final Governmental Use Action. Further Lessee shall immediately comply in all aspects with any requirements, demands, or instructions of any governmental entity with respect to the Permitted Use, including, with respect to a Governmental Use Action. The Lessee shall comply with all laws and regulations promulgated by the City of Fairfield and the State of California with respect to the permitted use at it's sole cost, expense and risk.

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Phone: 9252865424

Fax:

Stephanie Talyat

2470 Martin Rd

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ADDENDUM

Date: September 1, 2020

By and Between

Lessor: Paul Blanco's Real Estate, LLC

Lessee: SGI Retail, LLC and/or Assignee

Property Address: 2470 Martin Road

Fairfield

CA 94534-1018

(street address, city, state, zip)

Paragraph 51-62

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control.

56. Lessee understands and agrees that it does not have any right of first refusal or right of first offer pursuant to this Lease or relating to the Premises.

57. Notwithstanding any provision of this Lease, on the Commencement Date, Lessor shall deliver the Premises to Lessee in an "AS IS, WHERE-IS AND WITH ALL FAULTS" condition, provided that Lessor represents and warrants for a period of 30 days that the condition of the roof and the HVAC is in proper repair. Any disrepair uncovered during the 30 day period will be corrected by Lessor at Lessor expense, not to exceed \$10,000. Any expense in excess of \$10,000 will be covered by Lessee. Lessor shall have no obligation to construct any improvements on the Premises or make any alterations or repairs to the improvements currently located on the Premises as of the Commencement Date. Lessor hereby expressly disclaims any and all warranties and representations, expressed or implied, as to the state or condition of the Premises, including its fixtures or any equipment or trade fixtures. Lessee shall make no material changes to the plans and specifications for the Premises without Lessor's prior written approval. Lessor's approval of the plans and specifications shall not constitute the assumption of liability on the part of Lessor for its compliance and conformity with applicable building codes, Americans with Disabilities Act, and other legal requirements

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ADDENDUM

Date: September 1, 2020

By and Between

Lessor: Paul Blanco's Real Estate, LLC

Lessee: SGI Retail, LLC and/or Assignee

Property Address: 2470 Martin Road

Fairfield

CA 94534-1018

(street address, city, state, zip)

Paragraph 51-62

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control.

58. Lessee shall, at its sole cost, promptly comply with all laws relating to or affecting the Premises, now in force, or which may hereafter be in force, including without limitation those relating to utility usage and load or number of permissible occupants or users of the Premises, whether or not the same are now contemplated by the parties; with the provisions of all recorded documents affecting the Premises; and with the requirements of any board of fire underwriters (or similar body now or hereafter constituted). Lessee's obligations pursuant to this section shall include, without limitation, maintaining or restoring the Premises and making, at Lessee's sole cost and expense, structural and non-structural alterations and additions in compliance and conformity with all laws and recorded documents (including, without limitation, alterations or additions to the Premises that are required pursuant to the Americans with Disabilities Act ("ADA")), whether or not related to Lessee's specific use of the Premises. Any alterations or additions undertaken by Lessee pursuant to this section shall be subject to the requirements of this Lease. Lessee shall keep in effect during the Original Term any permits, licenses or other authorizations required for the lawful operation of Lessee's business at the Premises. The judgment of any court of competent jurisdiction or the admission of Lessee in any action or proceeding against Lessee, regardless of whether Lessor is a party thereto or not, that Lessee has violated such law or recorded document relating to Lessee's particular use or occupancy of the Premises, shall be conclusive of the fact of such violation by Lessee. Lessee shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any unreasonable or objectionable noises, odors, or nuisances, and shall comply with all health and police regulations in all respects.

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ADDENDUM

Date: September 1, 2020

By and Between

Lessor: Paul Blanco's Real Estate, LLC

Lessee: SGI Retail, LLC and/or Assignee

Property Address: 2470 Martin Road

Fairfield

CA 94534-1018

(street address, city, state, zip)

Paragraph 51-62

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control. The Premises have not undergone inspection by a Certified Access Specialist (CASP). Lessee is solely responsible to ensure that Lessee's improvements comply with all ADA requirements. Lessor makes no representation and warranties that the Premises are in compliance with all applicable city, state and federal laws and regulations including, without limitation, the ADA (collectively, "Applicable Laws") as of the Commencement Date. Lessee has had the opportunity to perform its own inspections including a CASP inspection. Except as specifically set forth in this Lease, Lessee accepts the Premises "AS IS". In the event that the Premises are not in compliance with Applicable Laws as of the date of this Lease, Lessee shall be responsible for any expenses relating to any corrective work that may be required to the Premises to make the Premises compliant with such Applicable Laws

59. This Lease is a "triple net lease" in which Lessee is obligated to pay rent to Lessor, as well all taxes, insurance, operating, repair, landscaping and maintenance expenses, including but not limited to parking lot expenses, capital improvements levied upon or assessed against the Premises or Project arising from the use of the Premises as provided herein. Lessee is also responsible for all costs associated with its own occupancy, including personal property taxes, janitorial services and all utility costs. All triple net charges including, without limitation, taxes, charges, costs and expenses and other sums that Lessee is required to pay hereunder (together with all interest and charges that may accrue thereon in the event of Lessee's failure to pay the same), and all damages, costs, and reasonable expenses which Lessor may incur by reason of any default by Lessee shall be deemed to be additional rent hereunder ("Additional Rent"). Lessee will have a right to directly contract for such services and pay any costs that would be Additional Rent directly. Lessor may charge Lessee as Additional Rent for any failure to maintain the Premises as required herein, at costs without markup. Additional Rent shall accrue and shall be paid commencing on the Commencement Date. In the event of nonpayment by Lessee of any Additional Rent, Lessor shall have all the rights and remedies with respect thereto as Lessor has for the nonpayment of rent.

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ADDENDUM

Date: September 1, 2020

By and Between

Lessor: Paul Blanco's Real Estate, LLC

Lessee: SGI Retail, LLC and/or Assignee

Property Address: 2470 Martin Road

Fairfield

CA 94534-1018

(street address, city, state, zip)

Paragraph 51-62

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control.

60. In addition to any other provisions in this Lease, Lessee agrees to defend, hold harmless, and indemnify Lessor against any damages sustained by Lessor from whatever cause in connection with Lessee's tenancy in the property owned by Lessor, including but not limited to attorneys' fees, legal costs including expert witness fees, fines imposed by any public entity, damages to Lessor's real or personal property, damages as a result of robberies, break-ins and burglaries, damages as a result of criminal prosecution, forfeiture seizures and other events triggering default and Lessor's termination rights as outlined in this Lease and Addendum.

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ADDENDUM

Date: September 1, 2020

By and Between

Lessor: Paul Blanco's Real Estate, LLC

Lessee: SGI Retail, LLC and/or Assignee

Property Address: 2470 Martin Road

Fairfield

CA 94534-1018

(street address, city, state, zip)

Paragraph 51-62

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control.

61. In addition to any other provisions of the Lease for termination by Lessor, Lessor may terminate this Lease for any of the following reasons, which termination will be its sole remedy against Lessee.

a. Any material complaint in writing given to Lessor concerning Lessee's operation of its cannabis business made by any government entity, whether by a City, County, State or Federal Agency that is not cured by Lessee within thirty (30) days from the date of complaint was made to Lessor, provided that if Lessee is diligently pursuing a cure and such cure is likely to occur, Lessee will be provided additional time as necessary, so long as it continues to diligently pursue such cure, but in no event will such period exceed 90 days. A material complaint shall be defined as one that constitutes a Nuisance as is defined by California Civil Code, Section 3479, that reads in part as follows: "Anything which is injurious to health, including, but not limited to, the illegal sale of controlled substances, or is indecent or offensive to the senses, or an obstruction of the free use of property, so as to interfere with the comfortable enjoyment of life or property."

c. The commencement of any criminal prosecution against either Lessor or Lessee in connection with the operation of Lessee's cannabis business on the leasehold premises.

d. Seizure of Lessor's real property, of which the leasehold premises are a part of, under federal laws providing for forfeiture of assets in connection with the production and cultivation of medical cannabis bi-products or any other related illegal activities.

e. A "nuisance" claim by any governmental agency for odors, loiterers, or other unsavory aspects of Lessee's use that have not been cured by lessee within sixty (60) days from the date that Lessee was notified of the activity.

f. Written notice from Lessor's bank notifying Lessor that the loan is in default due to Lessor leasing to a federally illegal cannabis business, provided that Lessee will have 60 days to secure alternative financing prior to Lessor having the right to terminate under this section (f).

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ADDENDUM

Date: September 1, 2020

By and Between

Lessor: Paul Blanco's Real Estate, LLC

Lessee: SGI Retail, LLC and/or Assignee

Property Address: 2470 Martin Road

Fairfield

CA 94534-1018

(street address, city, state, zip)

Paragraph 51-62

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control.

62. Lessee represents and warrants that the financial information provided regarding the guarantor, Shryne Group Inc., is true and correct (Financial Statements 13 Month Period Ending July 31, 2020; Shryne Group – Consolidated Financials & Projections 2020 – 2023, dated August 18, 2020; and Shryne Group Presentation dated August 18, 2020). Lessee will provide annual financial information or as reasonably requested by Lessor. In the event the financial condition materially changes for the worse from that at the beginning of the Original Term, Lessee agrees to provide Lessor with an additional guarantor to the sole satisfaction of Lessor.

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GUARANTY OF LEASE

WHEREAS, Paul Blanco's Real Estate, LLC, hereinafter "Lessor", and SGI Retail, LLC and/or Assignee, hereinafter "Lessee", are about to execute a document entitled "Lease" dated September 1, 2020 concerning the premises commonly known as 2470 Martin Road wherein Lessor will lease the premises to Lessee, and

WHEREAS, Shryne Group, Inc. hereinafter "Guarantors" have a financial interest in Lessee, and

WHEREAS, Lessor would not execute the Lease if Guarantors did not execute and deliver to Lessor this Guaranty of Lease.

NOW THEREFORE, in consideration of the execution of said Lease by Lessor and as a material inducement to Lessor to execute said Lease, Guarantors hereby jointly, severally, unconditionally and irrevocably guarantee the prompt payment by Lessee of all rents and all other sums payable by Lessee under said Lease and the faithful and prompt performance by Lessee of each and every one of the terms, conditions and covenants of said Lease to be kept and performed by Lessee.

It is specifically agreed by Lessor and Guarantors that: (i) the terms of the foregoing Lease may be modified by agreement between Lessor and Lessee, or by a course of conduct, and (ii) said Lease may be assigned by Lessor or any assignee of Lessor without consent or notice to Guarantors and that this Guaranty shall guarantee the performance of said Lease as so modified.

This Guaranty shall not be released, modified or affected by the failure or delay on the part of Lessor to enforce any of the rights or remedies of the Lessor under said Lease.

No notice of default by Lessee under the Lease need be given by Lessor to Guarantors, it being specifically agreed that the guarantee of the undersigned is a continuing guarantee under which Lessor may proceed immediately against Lessee and/or against Guarantors following any breach or default by Lessee or for the enforcement of any rights which Lessor may have as against Lessee under the terms of the Lease or at law or in equity.

Lessor shall have the right to proceed against Guarantors following any breach or default by Lessee under the Lease without first proceeding against Lessee and without previous notice to or demand upon either Lessee or Guarantors.

Guarantors hereby waive (a) notice of acceptance of this Guaranty, (b) demand of payment, presentation and protest, (c) all right to assert or plead any statute of limitations relating to this Guaranty or the Lease, (d) any right to require the Lessor to proceed against the Lessee or any other Guarantor or any other person or entity liable to Lessor, (e) any right to require Lessor to apply to any default any security deposit or other security it may hold under the Lease, (f) any right to require Lessor to proceed under any other remedy Lessor may have before proceeding against Guarantors, (g) any right of subrogation that Guarantors may have against Lessee.

Guarantors do hereby subordinate all existing or future indebtedness of Lessee to Guarantors to the obligations owed to Lessor under the Lease and this Guaranty.

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If a Guarantor is married, such Guarantor expressly agrees that recourse may be had against his or her separate property for all of the obligations hereunder.

The obligations of Lessee under the Lease to execute and deliver estoppel statements and financial statements, as therein provided, shall be deemed to also require the Guarantors to do and provide the same to Lessor. The failure of the Guarantors to provide the same to Lessor shall constitute a default under the Lease.

The term "Lessor" refers to and means the Lessor named in the Lease and also Lessor's successors and assigns. So long as Lessor's interest in the Lease, the leased premises or the rents, issues and profits therefrom, are subject to any mortgage or deed of trust or assignment for security, no acquisition by Guarantors of the Lessor's interest shall affect the continuing obligation of Guarantors under this Guaranty which shall nevertheless continue in full force and effect for the benefit of the mortgagee, beneficiary, trustee or assignee under such mortgage, deed of trust or assignment and their successors and assigns.

The term "Lessee" refers to and means the Lessee named in the Lease and also Lessee's successors and assigns.

Any recovery by Lessor from any other guarantor or insurer shall first be credited to the portion of Lessee's indebtedness to Lessor which exceeds the maximum liability of Guarantors under this Guaranty.

No provision of this Guaranty or right of the Lessor can be waived, nor can the Guarantors be released from their obligations except in writing signed by the Lessor.

Any litigation concerning this Guaranty shall be initiated in a state court of competent jurisdiction in the county in which the leased premises are located and the Guarantors consent to the jurisdiction of such court. This Guaranty shall be governed by the laws of the State in which the leased premises are located and for the purposes of any rules regarding conflicts of law the parties shall be treated as if they were all residents or domiciles of such State.

In the event any action be brought by said Lessor against Guarantors hereunder to enforce the obligation of Guarantors hereunder, the unsuccessful party in such action shall pay to the prevailing party therein a reasonable attorney's fee. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be such as to full reimburse all attorney's fees reasonably incurred.

If any Guarantor is a corporation, partnership, or limited liability company, each individual executing this Guaranty on said entity's behalf represents and warrants that he or she is duly authorized to execute this Guaranty on behalf of such entity. Signatures to this Guaranty accomplished by means of electronic signature or similar technology shall be legal and binding.

If this Form has been filled in, it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by the AIR CRE, the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Form or the transaction relating thereto.

GUARANTORS
Shryne Group, Inc.

Address

Executed at:
On: 9/1/2020

By: Brian Mitchell

Name Printed: Brian Mitchell

Title: CEO

Address: 728 E Commercial St.
Los Angeles, CA 90012

By: _____

Name Printed: _____

Title: _____

Address: _____

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ASSIGNMENT AND ASSUMPTION OF LEASE

This Assignment and Assumption of Lease (the “Assignment”) is made as of September 11, 2020, by and between SGI Retail LLC, a California limited liability company (the “Assignor”), and Authentic Fairfield LLC (the “Assignee”) with reference to the following facts:

In consideration of the foregoing premises and the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignment and Assumption. Assignor hereby assigns to Assignee the Lease Agreement dated as of September 1, 2020, by and between Assignor and Paul Blanco’s Real Estate LLC for the premises located at 2470 Martin Road, Fairfield, CA 94534 (the “Lease Agreement”) and Assignee hereby assumes and agrees to perform and discharge those obligations and liabilities under the Lease Agreement.

2. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall for all purposes be deemed an original and all of such counterparts, taken together, shall constitute one and the same Assignment. The exchange of copies of this Assignment and of signature pages by facsimile transmission or .PDF delivered via email will constitute effective execution and delivery of this Assignment as to the parties and may be used in lieu of the original Assignment for all purposes.

3. Governing Law. This Assignment and the rights of the parties hereunder will be governed by, interpreted, and enforced in accordance with the laws of the State of California without regard for conflict of laws rules.

4. Severability. If any provision of this Assignment is held to be illegal, invalid or unenforceable under the present or future laws effective during the term of this Assignment, such provision will be fully severable and the remaining provisions of this Assignment will remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first set forth above.

ASSIGNOR
SGI Retail LLC

ASSIGNEE
Authentic Fairfield LLC

Brian Mitchell
Brian Mitchell (Sep 12, 2020 11:21 PDT)
Name: Brian Mitchell
Its: Authorized Signatory

Brian Mitchell
Brian Mitchell (Sep 12, 2020 11:21 PDT)
Name: Brian Mitchell
Its: Authorized Signatory